NEW JERSEY

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDED JUNE 30, 2007

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STATE OF NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2007
TABLE OF CONTENTS

INTRODUCTION **Page**

Letter of Transmittal 1
Certificate of Achievement 7

FINANCIAL SECTION

Independent Auditor's Report 11
Management's Discussion and Analysis 14

Basic Financial Statements

Government-wide Financial Statements
Statement of Net Assets 27
Statement of Activities 28
Governmental Fund Financial Statements
Balance Sheet 30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets 31
Statement of Revenues, Expenditures and Changes in Fund Balance 32
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities 33
Proprietary Fund Financial Statements
Statement of Net Assets 34
Statement of Revenues, Expenses and Changes in Fund Net Assets 35
Statement of Cash Flows 36
Fiduciary Fund Financial Statements
Statement of Fiduciary Net Assets 38
Statement of Changes in Fiduciary Net Assets 40
Component Unit Financial Statements
Statement of Net Assets 42
Statement of Activities 44
Index to the Notes to the Financial Statements 47
Notes to the Financial Statements 48

Required Supplementary Information

Budgetary Comparison Schedule 96
Budgetary Comparison Schedule – Budget to GAAP Reconciliation Major Funds 99
Notes to Required Supplemental Information 101
Schedule of Funding Progress All Pension Trust Funds 102

Combining Financial Statements - Non-Major Funds

Governmental Funds – Non-Major Funds
Balance Sheet – By Fund Type 105
Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 106

Special Revenue Funds
Balance Sheet....108
Statement of Revenues, Expenditures and Changes in Fund Balances....140
Capital Projects Funds
Balance Sheet....172
Statement of Revenues, Expenditures and Changes in Fund Balances....176
Fiduciary Funds
Agency Funds
Statement of Fiduciary Net Assets....180
Statement of Changes in Assets and Liabilities....184
Pension and Other Employee Benefits Trust Funds
Statement of Fiduciary Net Assets....188
Statement of Changes in Fiduciary Net Assets....192
Private Purpose Trust Funds
Statement of Fiduciary Net Assets....196
Statement of Changes in Fiduciary Net Assets....198
Component Units
Statement of Net Assets – Non-Major Component Units....200
Statement of Activities – Non-Major Component Units....201
Authorities
Statement of Net Assets....202
Statement of Activities....208
Colleges and Universities
Statement of Net Assets....214
Statement of Activities....218
Description of Funds....222
Other Information
Capital Assets
Schedule of Changes in Gross Capital Assets by Function....245
Schedule of Gross Capital Assets by Function....246
Schedule of Changes in Accumulated Depreciation by Function....248
Long-Term Debt
Schedule of Long-term Debt....250
Budgetary Schedules
Budgetary Comparison Schedule Non-Major Governmental Funds....252
Budgetary Comparison Schedule-Budget to GAAP Reconciliation – Non-Major Funds....256
Schedule of Anticipated Revenue....257
Schedule of Appropriated Revenue....269
Schedule of Appropriations and Expenditures....270

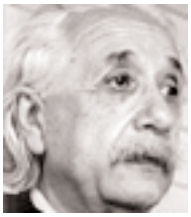
STATISTICAL SECTION
Statistical Section Index....291
Statistical Schedules....292

Introduction

Harriet Tubman
(Cape May)
One of the great figures involved with the Underground Railroad during the time of slavery

Woodrow Wilson
(Princeton)
Governor of New Jersey
28th President of the US

F. Scott Fitzgerald
(Hackensack, Princeton)
Writer



Albert Einstein
(Princeton)
Most important scientist of the 20th century; awarded the 1921 Nobel Prize for physics

Walt Whitman
(Camden)
Poet

Clara Barton
(Bordentown)
Created New Jersey's first free public school and founded the Red Cross

Thomas A. Edison
(Newark, Menlo Park, West Orange)
Inventor

Robert Wood Johnson
(New Brunswick, Highland Park, Raritan)
President & Chairman of Johnson & Johnson

New Jersey Hall of Fame

State of New Jersey
DEPARTMENT OF THE TREASURY
OFFICE OF MANAGEMENT AND BUDGET
PO BOX 221
TRENTON NJ 08625-0221

JON S. CORZINE
Governor

R. DAVID ROUSSEAU
Acting State Treasurer

February 29, 2008

Governor Jon S. Corzine
Members of the State Legislature
New Jersey Citizens

In accordance with the provisions of N.J.S.A. 52:27B-46, we are pleased to transmit to you the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007. The Department of the Treasury's Office of Management and Budget prepared this report and is responsible for data accuracy as well as the completeness and fairness of the presentation, including all disclosures.

This Comprehensive Annual Financial Report presents the financial position and operating results of the State under generally accepted accounting principles (GAAP) applicable to State and Local governments as established by the Governmental Accounting Standards Board (GASB). The State also participates in the Government Finance Officers Association of the United States and Canada's (GFOA) review program for the Certificate of Achievement for Excellence in Financial Reporting.

The State operates in accordance with the standards provided in GASB Statements No. 34 and No. 35. The objectives of this reporting model, as reflected in these statements, are to provide a clear picture of the government as a single unified entity as well as providing traditional fund based financial statements. All revenues, costs, assets, and liabilities of the State are shown to clearly portray the State's fiscal health. Management's discussion and analysis is included in order to provide users with an objective and easily readable analysis of New Jersey's financial performance for the fiscal year ended June 30, 2007. We are confident that the data is accurate in all material respects, that it is presented in a manner designed to set forth fairly the financial position and results of the State's operations as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial affairs have been included.

HIGHLIGHTS AND INITIATIVES

Fiscal Year 2007

- In an effort to reform, replenish, and revitalize; the New Jersey Transportation Trust Fund Authority was legislatively reauthorized through June 30, 2011. The five year program provides for a $1.6 billion annual capital program to be supported by an annual $895.0 million State appropriation and additional bonding authority. Reform measures include freezing the level of capital maintenance projects and establishing an independent policy oversight board that ensures compliance with strict guidelines for capital expenditures. Replenishment means dedicating the final 1.5 cents of the existing Motor Fuels Tax and resuming the dedication of a portion of toll road authority funds to support the Trust Fund's appropriation. An annual capital program of $1.6 billion has helped revitalize the New Jersey economy by supporting approximately 100,000 jobs. The Fiscal Year 2007 Capital Program is now $400 million more than the prior fiscal year and consists of an additional $230.0 million for the Department of Transportation, $145.0 million for the New Jersey Transit Corporation, and $25.0 million for local aid to counties and municipalities.

- Although fiscal constraints limited the State's ability to fully fund pension costs, additional resources were provided in the Fiscal Year 2007 Appropriations Act. The $865.8 million increase in expenditures represented more than the State's total combined contribution to the State pension systems from Fiscal Year 1997 through Fiscal Year 2006.

Fiscal Year 2008

- The Fiscal Year 2008 Appropriations Act includes $2.3 billion worth of property tax relief programs that almost entirely consists of rebate checks for homeowners and tenants. Annual gross income thresholds determine the size of the rebate check received. For those with annual gross incomes below $100,000, a 20.0

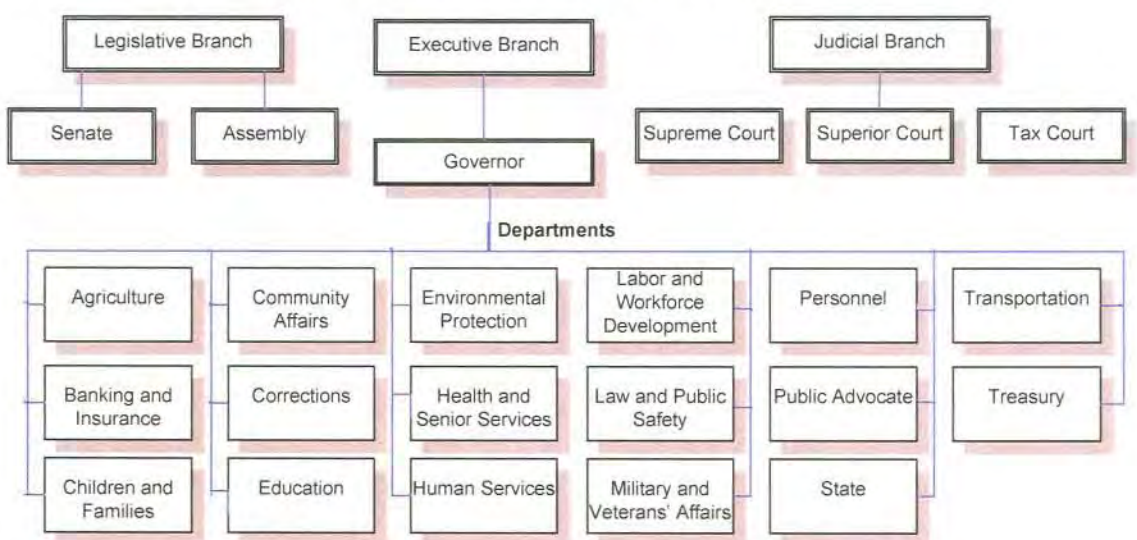
percent rebate check with a maximum value of up to $2,000 will be sent to subsidize a homeowner's property tax bill. For those with annual gross incomes between $100,001 and $150,000, a 15.0 percent rebate check with a maximum value of up to $1,500 will be sent to subsidize a homeowner's property tax bill. For those with annual gross incomes between $150,001 and $250,000, a 10.0 percent rebate check with a maximum value of up to $1,000 will be sent to subsidize a homeowner's property tax bill. Other property tax reform measures enacted include establishing an appointed State Comptroller and mandating pension forfeiture for public officials convicted of criminal acts.

- State Aid for school districts comprises nearly $11.0 billion, a $381.8 million increase from the prior fiscal year. Of this increase, $195.0 million in school formula aid funding has been targeted toward Non-Abbott Districts. This represents the largest increase in aid to Non-Abbott Districts and exceeds the combined total increase received from Fiscal Year 2003 through Fiscal Year 2007. The common methodology for comparison is through the District Factor Group which measures a community's relative socioeconomic status, which range from "A" districts to "J" districts. The neediest districts, both "A" and "B" will see average aid increases of 10.3 percent and 9.0 percent respectively, and both "C" and "D" districts will have average aid increases of 8.0 percent . The most affluent districts, "J," will receive the 3.0 percent inflationary increase. The Fiscal Year 2008 Appropriations Act also includes funding to ensure that parity is guaranteed for all Abbott Districts. A $1.7 billion appropriation for Education Opportunity Aid will allow for a 3.0 percent increase in State Aid for the Abbott Districts that are already at parity, increased operating costs of new facilities, and other documented needs. Other State Aid for school districts includes funds for school construction, pension systems, post-retirement medical benefits, and social security.

NEW JERSEY GOVERNMENT

The Executive Branch is headed by the Office of the Chief Executive, which includes the Governor and staff that assist in the execution of the Governor's constitutional powers and duties. The Governor is the State's chief operating officer, and assists in directing and coordinating the activities of the various State departments. These duties include the implementation of new laws and activities, as well as ongoing responsibilities associated with existing laws, and other essential aspects of governing. The Office of the Chief Executive is active in the review and formulation of proposals of law that are ultimately submitted to the State Legislature. Staff assists in the development of public policy affecting the citizens of the State, and in the implementation of the State's fiscal plan once it is adopted.

ORGANIZATION OF NEW JERSEY STATE GOVERNMENT



The Executive Branch consists of 17 departments comprising approximately 69,200 employees on the payroll as of January 2007. The maximum number of departments permitted by the State Constitution is 20. Each department is headed by a single executive; four also have boards with policy-making and oversight responsibilities. Department heads and board members are appointed by the Governor with the advice and consent of the Senate, except for the

Secretary of Agriculture, who is chosen by the Board of Agriculture with the approval of the Governor. Department heads continue in office until successors are named and confirmed by the Senate, with the exception of the Attorney General and the Secretary of State, who are appointed to serve during the Governor's term. The Executive Branch oversees the performance of 566 municipalities and 611 school districts, and the incarceration and rehabilitation of approximately 27,600 prisoners. The Executive Branch also provides social services for one out of eight New Jersey citizens, reliable transportation, and protection for the State's citizenry and environment.

The State Senate and the General Assembly comprise New Jersey's Legislative Branch. There are 40 legislative districts with elections being held in odd-numbered years. There are 40 members of the State Senate. State Senators are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. There are 80 members of the General Assembly; each is elected to a two-year term. The Office of Legislative Services is a nonpartisan agency that provides legislators with legal, fiscal, research, information, and administrative services. It is organized with an executive director, a legislative counsel, the state auditor, a director of central staff, a director of data management, and a director of administration.

The Judicial Branch consists of the Supreme Court, the Appellate Division of the Superior Court, and the Tax Court. Judges are nominated by the Governor and must be confirmed by the Senate. Terms are for seven years. For purposes of judicial administration, the State is divided into 15 vicinages, each consisting of a single county or a combination of counties. The Administrative Office of the Courts provides support services. Approximately 7.0 million new cases are filed in New Jersey's courts every year, including 6.0 million in Municipal Court and 1.0 million in Superior Court. These cases address matters concerning civil, criminal, and family law.

COMPONENT UNITS

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007 includes the accounts of 22 public authorities, and 12 State colleges and universities in accordance with the requirements of GASB Statement No. 14, *The Financial Reporting Entity*. Public authorities are legal, separate entities that are not operating departments of the State. Governing boards are vested with the power to independently manage. Each component unit is established for a specific purpose for the benefit of the State's citizenry. GASB Statement No. 14 provides that the State's financial statements should emphasize the primary government and permit financial statement users to distinguish between the primary government and its component units. As a result, the transmittal letter, management's discussion and analysis, and the financial statements focus on the primary government of the State and its activities, although information pertaining to the component units is presented. For additional information, please see Note 18 – Component Units.

NEW JERSEY'S ECONOMIC CONDITION

New Jersey's economy continues to expand in 2007 but at a slower pace than 2006. The State added approximately 151,600 jobs between the bottom of the employment cycle in March 2003 and December 2007. Payroll employment is growing at an average annual rate of 0.6 percent in 2007 after growing at rates of 0.9 percent in 2006, and 1.0 percent in 2005. The level of payroll employment in December 2007, 4.1 million, represents the 42nd consecutive month payroll has remained above the 4.0 million mark.

The generally improving labor market conditions have kept the State's jobless rate below 5.0 percent in December 2007 for the 43rd time since June 2004. New Jersey's unemployment rate was 4.5 percent in December and remains below the national unemployment rate.

According to the United States Bureau of Economic Analysis (release dated December 21, 2007), the preliminary growth rate for New Jersey's personal income of 6.4 percent for the third quarter of 2007 came in above the revised growth rate of 5.1 percent for the second quarter of 2007. However, given the general economic slow down in the United States economy, the average annual growth in personal income for New Jersey is expected to show moderate growth in 2008.

The housing sector is expected to cool off further in the months ahead with housing permits in 2007 to stay around 25,000 plus units, significantly below the 34,000 plus units for 2006. Vehicle registrations through November 2007 remains 2.8 percent below the year ago level, following a 0.4 percent decline in registrations in 2006.

New Jersey's and the nation's economy is expected to continue to experience moderating near term economic growth in 2008. In the latest Beige Book released on January 16, 2008, the Federal Reserve Board pointed toward a weakening economy. The latest New Jersey economic forecasts from Global Insight, Moody's Economy.com, and

Rutgers University project continued economic growth at a moderate pace. All expect easing in the economic momentum due to the subprime problem and the slowing housing market.

New Jersey's economy is expected to follow the national trend for 2008. Employment is projected to expand at around 0.6 percent average annual rate in 2008 and improve to 0.9 percent in 2009. Personal income is expected to grow at a moderate pace below 5.0 percent in 2008 and 2009. Corrections are expected to continue in the housing market with housing activity to remain below the mid-twenty thousand units range. New motor vehicle registrations are projected to remain above the 600,000 level in 2008 and 2009.

Inflation is expected to remain under control but higher energy prices are a concern. Low interest rates have supported spending on housing and other consumer durables in the State and further easing, expected in the short term, may provide the necessary support.

The Statistical Section contains various demographic and economic tables for New Jersey.

BUDGET AND ACCOUNTING

Legal Level of Control

The State's Annual Appropriations Act includes the General Fund and certain Special Revenue Funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). Legal control is maintained within the departments at the appropriation line item level. Budgetary control is exercised at the department level by individual appropriations and allocations within appropriations to various programs and major expenditure objects. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. During the budget year, revisions to the annual Appropriations Act reflecting program changes or interdepartmental transfers of an administrative nature may be effected with certain Executive and Legislative Branch approvals. Under the "General Provisions" section of the State's annual Appropriations Act, management may amend the budget within a department with the Director of the Office of Management and Budget's approval. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments.

Accounting Systems

For the various State departments, accounting records are maintained by a central accounting system. System operations are directed and supervised by the Office of Management and Budget. The State's annual budget is composed of individual appropriations to departments for specific programs and purposes. Component units maintain separate accounting systems.

Encumbrance accounting is employed to ensure that expenditures do not exceed appropriations and allocations. Purchase orders, contracts, and other commitments involving monetary expenditures are encumbrances. Any unencumbered and unexpended non-continuing appropriations lapse at fiscal year's end.

Consideration as to the adequacy of internal controls is paramount in developing and maintaining the State's accounting system. Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and that financial records are reliable for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from its use, and that the evaluation of costs and benefits require managerial estimates and judgments. All internal control evaluations occur within this framework.

RELEVANT FINANCIAL POLICIES

The State Constitution mandates a balanced budget. It provides, in part, that no money shall be drawn from the State Treasury but for appropriations made by law and that no law appropriating money for any State purpose shall be enacted if the appropriations contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of the revenue on hand and anticipated to be available to meet such appropriations during such fiscal period, as certified by the Governor. During the fiscal year, the State may have to make several revenue and expenditure adjustments to ensure a positive fund balance. The State has had a balanced budget in every fiscal year since the adoption of the State Constitution in 1947.

As part of the General Fund's resources and fund balance, the Surplus Revenue Fund was created as a rainy day fund. It is used to account for excess revenues from prior fiscal years that are legislatively reserved and may be used to

support current year's appropriations in the event that anticipated revenues in the General Fund are estimated to be less than those certified by the Governor upon approval of the annual Appropriations Act. The Surplus Revenue Fund was designed to build fund balance during economic upswings, and to be expended during economic downturns and emergency situations.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with GAAP. The main differences between the budgetary basis and the GAAP basis used to present fund financial statements are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

FINANCIAL TRENDS

Office of Economic Growth

During September 2006, the Office of Economic Growth unveiled the Governor's Economic Growth Strategy, aimed at building New Jersey's economic base. The strategy is organized around six core priorities to ensure that State government supports economic growth, develops a world-class workforce, supports smart sustainable growth and infrastructure investments, supports and encourages innovation, encourages entrepreneurship and growth of small, minority-owned and women-owned businesses, and enhances global competitiveness of New Jersey's business and expands access to international trade opportunities. Under the direction of the Office of Economic Growth, the Division of Small, Women and Minority Business Development has been established, a new State business website and a centralized business hotline has been opened to facilitate one-stop delivery, the Edison Innovation Fund to grow high tech businesses has been launched based on a commitment of $150.0 million from the Economic Development Authority and the leveraging of private funds, and another $185.0 million from the Economic Development Authority and leveraged private sector funds has been set aside to create the Urban Fund to stimulate investment in urban communities.

Labor and Workforce Development

The department's mission is to ensure the opportunity for employment at fair wages in a safe environment; enhance the quality of the State's labor force and labor market activities; stimulate economic growth; promote labor management harmony; and administer income support services to unemployed or disabled workers. Since 2004, implementing information technology systems has been a priority at the department. Full automation of New Jersey's Worker's Compensation Program continues with the completion of Phases I and II of the Case Organization Utilization Reporting Tracking System. Phase III, the e-filing component, was the recent phase completed and has provided significant efficiencies in the data collection area. As part of the consolidation of all workforce development services, a new program was designed to enable welfare eligible individuals to pursue two and four year college degree programs. Funding for Smart STEPS is provided by the State's Workforce Development Partnership program, as opposed to the federal Temporary Assistance for Needy Families (TANF) program, thereby effectively stopping the clock on TANF's five-year limitation and eliminating the TANF requirement, which mandates individuals must work part-time while attending school. While participating in the program, welfare recipients can devote all of their time to pursuing their education, which will aid in their success. During 2008, the department will continue the development of a new computer system - NJ SUCCESS, which will consolidate unemployment insurance business processes and technical systems into a single, comprehensive one-stop career system.

Law and Public Safety

Under the Attorney General, the department is primarily focused on the safety and protection of the lives and property of New Jersey citizens. In addition to providing statewide law enforcement and emergency response services, the department is responsible for protecting citizens; civil and consumer rights, promoting highway traffic safety, maintaining public confidence in the alcoholic beverage, gaming and racing industries and providing legal services and counsel to other state agencies. Recent department initiatives have included addressing recent gang problems by expanding Operation CeaseFire, a community-based response program that partners with criminal justice, government, social service, and faith-based and community organizations, to reduce gun violence. Executive Order 5 created the Office of Homeland Security and Preparedness, (HSP) in-but-not-of the department. This office will coordinate homeland security related issued across all levels of government and the private sector. The Domestic Security Preparedness Task Force, as part of HSP, will ensure the development of a comprehensive, statewide emergency plan.

AUDIT INFORMATION

The principal auditor of the State's reporting entity is the Office of the State Auditor, which resides in the Legislative Branch of State government. The State Auditor's examination was conducted in accordance with generally accepted auditing standards and its opinion precedes the Basic Financial Statements. Outside public accounting firms have been used for the audits for separately issued component units and college and university financial statements. In addition, the Office of the State Auditor conducts periodic financial and expanded scope audits of the various State agencies.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The GFOA awarded the Certificate of Achievement for Excellence in Financial Reporting to the State of New Jersey for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006. In order to qualify, a governmental entity must publish an easily readable and efficiently organized comprehensive annual financial report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The State of New Jersey has received this award every year since 1993.

ACKNOWLEDGEMENTS

Finally, we would like to express our appreciation to the many dedicated professionals in the Office of Management and Budget and the Office of the State Auditor whose efforts made possible the preparation of this report. We believe that their combined efforts have produced a report that will provide a means for government, the financial community, decision makers, and concerned citizens to better understand and evaluate the State's financial condition.

Sincerely,

R. David Rousseau
Acting State Treasurer

Charlene M. Holzbaur
Director, Office of Management and Budget

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of New Jersey

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Charles S. Cox

President

Jeffrey L. Esser

Executive Director

CAFR 2007

Financial Section

Frank Sinatra
(Hoboken)
New Jersey's best known celebrity, finest male vocalist of all time

Bud Abbott & Lou Costello
(Asbury Park; Paterson)
Famed comedy duo whose routines transcended stage to radio and television

Yogi Berra
(Montclair)
Hall of Fame New York Yankee; played on 10 World Championship teams

Larry Doby
(Paterson)
First African-American American League baseball player

Meryl Streep
(Bernardsville)
More Academy Award nominations than anyone else

Toni Morrison
(Princeton)
Well respected author; awarded the Nobel Prize and the Pulitzer Prize for Literature

David Sarnoff
(Princeton; Camden)
The father of the modern broadcast era

Althea Gibson
(East Orange)
First African-American to win a Grand Slam Tennis event

New Jersey Hall of Fame

2006-2007
LEGISLATIVE SERVICES COMMISSION

ASSEMBLYMAN
JOSEPH J. ROBERTS, JR.
Chairman

SENATOR
LEONARD LANCE
Vice-Chairman

SENATE

ANTHONY R. BUCCO
RICHARD J. CODEY
NIA H. GILL
BERNARD F. KENNY, JR.
RAYMOND J. LESNIAK
ROBERT E. LITTELL
ROBERT W. SINGER

GENERAL ASSEMBLY

CHRISTOPHER "KIP" BATEMAN
PETER J. BIONDI
FRANCIS J. BLEE
JOHN J. BURZICHELLI
ALEX DECROCE
JOAN M. QUIGLEY
BONNIE WATSON COLEMAN

New Jersey State Legislature

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RICHARD L. FAIR
State Auditor

STEPHEN M. LEITH
Assistant State Auditor

THOMAS R. MESEROLL
Assistant State Auditor

The Honorable Jon S. Corzine
Governor of New Jersey

The Honorable Richard J. Codey
President of the Senate

The Honorable Joseph J. Roberts, Jr.
Speaker of the General Assembly

Mr. Albert Porroni
Executive Director
Office of Legislative Services

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of and for the year ended June 30, 2007, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State of New Jersey's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component units, the pensions and other employee benefits trust funds, the Dental Expense Program, and the Port Authority of New York and New Jersey which represent 100 percent of the assets and revenues of the aggregate discretely presented component units, 91 percent of the assets and 54 percent of the revenues (including additions to fiduciary net assets) of the aggregate remaining fund information, and 100 percent of the

information disclosed in Note 2-F of the basic financial statements. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts and disclosures included for the discretely presented component units, the pensions and other employee benefits trust funds, the Dental Expense Program, and the Port Authority of New York and New Jersey, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the pensions and other employee benefits trust funds, the Dental Expense Program, and two component units, the New Jersey Sports and Exposition Authority and the Casino Reinvestment Development Authority, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of New Jersey as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards,* we have also issued our report dated February 29, 2008 on our consideration of the State of New Jersey's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison schedules, and the funding progress schedule for all pension trust funds are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of New Jersey's basic financial statements. The introductory section, combining financial statements – non-major funds section, other information section and the statistical section, listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements – non-major funds section and the other information section have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Richard L. Fair
State Auditor
February 29, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following narrative provides an overview and analysis concerning New Jersey State Government's financial performance of its activities for the fiscal year ended June 30, 2007. Readers should consider this information in conjunction with the transmittal letter, which precedes Management's Discussion and Analysis, and the State's financial statements, which follow.

The State, since July 1, 2002 has been accounting and reporting under the standards outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Therefore, a majority of the information provided is not easily comparable to reporting periods prior to the fiscal year ended June 30, 2002. Year-to-year comparisons are provided in the Management's Discussion and Analysis and the Statistical Section. It is the intent of GASB Statement No. 34 to provide meaningful comparisons that will further explain the State's financial position and results of its operations.

FINANCIAL HIGHLIGHTS

Government-wide

- The primary government's assets total $35.2 billion, a decrease of $279.4 million from the prior fiscal year. As of June 30, 2007, liabilities exceeded assets by $7.6 billion. The State's unrestricted net assets, which represent net assets that have no statutory commitments and are available for discretionary use, totaled a negative $20.9 billion. The negative balance is primarily a result of issuing pension bonds to fund unfunded actuarial liabilities in the State's pension systems, not fully appropriating funds to the pension systems (See Note 17 – Retirement Systems, Health Benefits, and Post-Retirement Medical Benefits), financing uninsured motorist funds, funding local elementary and high school construction, and securitizing a major portion of annual tobacco master settlement agreement receipts.

- June 30, 2007 component unit assets exceeded component unit liabilities by $15.1 billion. Total component unit assets grew to $37.1 billion, a $1.2 billion increase in assets from the prior fiscal year. Higher investment balances and capital assets represent the majority of this increase.

Fund Level

- The State's governmental funds reported June 30, 2007 combined ending fund balances of $10.6 billion, a decrease of $829.4 million from the prior fiscal year. Of the ending fund balance, $2.1 billion represents unreserved – undesignated fund balances with the remainder reserved for specific, legislated purposes, management reserves, and constitutional dedications. The General Fund's total ending fund balance is $4.6 billion, with $1.4 billion unreserved – undesignated.

- Proprietary Funds reported June 30, 2007 net assets of $1.1 billion. During the fiscal year, this amount increased by $15.9 million.

Long-term Debt

- The State's long-term debt obligations increased 1.9 percent, to $38.1 billion, which includes a net decrease in bonded debt of $104.9 million.

- During the fiscal year, the State issued $4.5 billion in bonds. New money issuances represented $714.6 million for health care and education system improvements, while $3.8 billion represented two refunding transactions that provided the State with $30.1 million in net present value savings. During the fiscal year ended June 30, 2007, the State paid $2.5 billion in debt service on its long-term debt components. Non-bonded portions of the State's long-term debt total $6.4 billion. This amount represents an $801.4 million increase from the prior fiscal year and is mainly attributable to increases in net pension obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Comprehensive Annual Financial Report also contains required supplementary information (RSI) and other information, in addition to the basic financial statements.

Major Features of the Basic Financial Statements

Features	Government-wide Financial Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire State government (except fiduciary funds) and the State's component units	State activities that are not proprietary or fiduciary	State activities that are operated similar to a private business	Instances in which the State is the trustee or agent for someone else's resources
Required Financial Statements	* Statement of Net Assets * Statement of Activities	* Balance Sheet * Statement of Revenues, Expenditures, and Changes in Fund Balance	* Statement of Net Assets * Statement of Revenues, Expenses, and Changes in Net Assets * Statement of Cash Flows	* Statement of Fiduciary Net Assets * Statement of Changes in Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Types of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Types of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	* Revenues for which cash is received during or soon after the end of the fiscal year * Expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Financial Statements

Government-wide financial statements provide a broad view of the State's operations conforming to private sector accounting standards and provide both short-term and long-term information regarding the State's overall financial position through the fiscal year end. The government-wide financial statements include the following two statements:

- **Statement of Net Assets** Presents all of the State's assets and liabilities and calculates net assets. Increases or decreases in the State's net assets over time may serve as a useful indicator as to whether or not the State's overall financial position is improving or deteriorating.

- **Statement of Activities** Presents how the State's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event occurs, giving rise to the change, regardless of the timing of related cash flows. This statement also presents a comparison between direct expenses and program revenues for each State function.

Both the Statement of Net Assets and the Statement of Activities have separate sections that report three activities:

- **Governmental Activities** The majority of State service functions fall into this category, which includes Executive, Legislative, and Judicial Branch operations. Governmental activity functions rely heavily on State taxes and federal grant receipts for funding their respective programs and functions.

- **Business-type Activities** Certain State operations are legislatively able to charge fees to external users to recover all or a portion of the cost of the services provided and are therefore classified as business-type activities. The State Lottery Fund and the Unemployment Compensation Fund are two such examples.

- **Component Units** Legally separate operations and organizations for which the State has financial accountability are considered component units. The State has 22 authorities, of which the Garden State Preservation Trust, New Jersey Building Authority, New Jersey Schools Construction Corporation, New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation, Inc. are blended into governmental activities, and 12 college and universities that are reported as component units. These component units operate as business-type activities and are presented in two categories, major and non-major which is determined, generally, by the relative size of the entity's assets, liabilities, revenues, and expenses when compared to the total of the related component units. A list of the State's component units is shown in Notes 1B – Summary of Significant Accounting Policies – Financial Reporting Entity and Note 18 – Component Units in the Notes to the Financial Statements. Audit reports of the individual component units can be obtained from their respective administrative offices.

Reconciliation of Government-wide and Governmental Funds Financial Statements

The Comprehensive Annual Financial Report includes two schedules that reconcile the amount reported on the governmental funds financial statements (modified accrual basis of accounting) with government-wide financial statements (accrual basis of accounting). The following summarizes the major differences between the financial reporting impacts of transitioning from a modified accrual basis of accounting to a full accrual basis of accounting:

- Capital assets used in governmental activities are not reported on governmental funds financial statements.
- Capital outlay spending results in capital assets on the government-wide financial statements, but are reported as expenditures on the governmental funds financial statements.
- Bond and note proceeds result in liabilities on the government-wide financial statements, but are recorded as other financing sources on the governmental funds financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide financial statements, but are reported as expenditures of the governmental funds financial statements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and governmental funds financial statements.

Fund Financial Statements

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The State's fund financial statements reflect financial reporting practices in accordance with this definition. The State's funds, which excludes component units, are divided into three categories–governmental, proprietary, and fiduciary.

- **Governmental Funds Financial Statements** Most direct state services are financed through governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental funds financial statements focus on current inflows and outflows of expendable resources and the expended balances at the end of a fiscal year that are available for future spending. Governmental fund information helps determine whether or not there was an addition or a reduction in financial resources that can be spent in the near future to finance State programs.

  The State's governmental funds are the General Fund, Special Revenue Funds, and Capital Projects Funds. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The basic governmental funds financial statements can be found immediately following the government-wide financial statements.

- **Proprietary Funds Financial Statements** Proprietary funds are used to account for State business-type activities. Since these funds charge fees to external users, they are known as enterprise funds. Proprietary funds provide the same information as government-wide financial statements and use the accrual basis of accounting.

- **Fiduciary Funds Financial Statements** Fiduciary funds, which include State pension fund systems, are used to account for resources held by the State for the benefit of parties outside of State government. Fiduciary funds are reported using the accrual basis of accounting, in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. Government-wide financial statements exclude fiduciary fund activity and balances since the assets are legislatively restricted in purpose and do not represent discretionary assets the State can use to fund its operations.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional background information that assist the reader in understanding the data provided in the government-wide financial statements and fund financial statements.

Required Supplementary Information

The basic financial statements are followed by a required supplementary information section. This section includes budgetary schedules that reconcile the statutory intent of the program with fund balances in accordance with generally accepted accounting principles at fiscal year end as well as variances between the final budget and actual results on a budgetary basis. Also there is a Schedule of Funding Progress for all Pension and Other Employee Trust Funds.

Combining Financial Statements

Combining financial statements are presented for the non-major governmental, proprietary, and fiduciary funds. Non-major funds are shown in the aggregate in the basic financial statements.

Other Information

Information on New Jersey's capital assets, long-term debt, and non-major budgetary comparison schedules are displayed in this section. Schedules of Anticipated and Appropriated Revenues provide detailed information on major and miscellaneous taxes, fees, and other revenues. The Schedule of Anticipated Revenue provides further analysis by showing dollar and percentage variances of actual collections as compared to the original anticipation. The Schedule of Appropriations and Expenditures details the comparison of expenditures at the legal level of control to the final budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The State ended Fiscal Year 2007 with combined net assets totaling a negative $7.6 billion. This amount represents a decrease of $995.3 million from the prior fiscal year which includes adjustments of $566.6 million due to the reclassification of funds resulting from the implementation of GASB Statement No. 43. Restricted net assets include funds used to pay unemployment claims and open space preservation, and represent the largest component of the State's net assets. Capital assets, net of depreciation, are used by the State to provide services to citizens; consequently these assets are not available for future spending. Invested in capital assets, net of related debt, includes land, land improvements, buildings and improvements, machinery and equipment, infrastructure (roads, bridges, and other immovable assets), and construction in progress. The deficit in unrestricted governmental net assets arose primarily as a result of the cost of the State's school facilities construction program, depreciation expense related to capital assets, and certain liabilities that are required to be included in the government-wide financial statements.

Net Assets
For Fiscal Year Ended June 30
(Expressed in Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2007*	2006**	2007*	2006	2007*	2006**
Current and other noncurrent assets	$ 15,147.4	$ 15,794.1	$ 2,130.7	$ 2,814.5	$ 17,278.1	$ 18,608.6
Capital assets, net	17,872.8	16,821.7	--	--	17,872.8	16,821.7
Total Assets	33,020.2	32,615.8	2,130.7	2,814.5	35,150.9	35,430.3
Current liabilities	5,528.5	5,016.6	393.7	670.7	5,922.2	5,687.3
Noncurrent liabilities	36,247.7	35,743.7	593.8	646.0	36,841.5	36,389.7
Total Liabilities	41,776.2	40,760.3	987.5	1,316.7	42,763.7	42,077.0
Net Assets:						
Invested in capital assets, net of related debt	6,347.5	5,981.9	--	--	6,347.5	5,981.9
Restricted	5,796.5	5,625.8	1,143.2	1,500.6	6,939.7	7,126.4
Unrestricted	(20,900.0)	(19,723.0)	--	(2.8)	(20,900.0)	(19,725.8)
Total Net Assets	$ (8,756.0)	$ (8,115.3)	$ 1,143.2	$ 1,497.8	$ (7,612.8)	$ (6,617.5)

* As a result of implementing GASB Statement No. 43 for Fiscal Year 2007, three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds.

** Invested in capital assets, net of related debt, were restated for an increase of $29.2 million to reflect the addition of intangible assets and revised land and building improvements.

Changes in Net Assets

The State's Fiscal Year 2007 net assets decreased by $428.7 million. During Fiscal Year 2007, the State disbursed $600.0 million to the New Jersey Schools Construction Corporation to help finance school facilities construction throughout the state. Approximately 59.2 percent of the State's total revenue came from general taxes, while 20.6 percent was derived from operating grants. Charges for services amounted to 17.9 percent of total revenues, while other items such as capital grants, interest and investment earnings, and miscellaneous revenues accounted for the remainder. State expenditures cover a range of services. The largest expense, 30.3 percent was for educational, cultural, and intellectual development. Physical and mental health amounted to 19.6 percent of total expenditures, while government direction, management, and control amounted to 12.3 percent. Other major expenditures focused on economic planning, development, and security, public safety and criminal justice, and community development and environmental management. During Fiscal Year 2007, governmental activity expense exceeded program revenues, resulting in the use of $31.3 billion of general revenues (mostly taxes and transfers). Revenues from business-type activities in Fiscal Year 2007 exceeded expenses by $899.1 million.

Statement of Activities
For Fiscal Year Ended June 30
(Expressed in Millions)

	Governmental Activities		Business-type Activities		Primary Government Total	
	2007*	2006**	2007*	2006	2007*	2006**
Revenues						
Program revenues						
Charges for services	$ 4,450.7	$ 5,000.6	$ 4,307.4	$ 5,859.9	$ 8,758.1	$ 10,860.5
Operating grants	10,032.7	9,708.5	73.3	102.9	10,106.0	9,811.4
Capital grants	108.5	174.3	--	--	108.5	174.3
General revenues						
General taxes	28,983.4	26,714.1	--	--	28,983.4	26,714.1
Interest and investment earnings	271.7	183.0	--	--	271.7	183.0
Miscellaneous	752.9	1,627.3	--	--	752.9	1,627.3
Total Revenues	44,599.9	43,407.8	4,380.7	5,962.8	48,980.6	49,370.6
Expenses						
Public safety and criminal justice	3,189.7	2,827.9	--	--	3,189.7	2,827.9
Physical and mental health	9,682.1	9,729.9	--	--	9,682.1	9,729.9
Educational, cultural, and intellectual development	14,968.4	14,200.5	--	--	14,968.4	14,200.5
Community development and environmental management	2,484.5	2,205.4	--	--	2,484.5	2,205.4
Economic planning, development, and security	5,300.7	4,914.9	--	--	5,300.7	4,914.9
Transportation programs	2,913.0	2,435.1	--	--	2,913.0	2,435.1
Government direction, management, and control	6,086.8	8,251.4	--	--	6,086.8	8,251.4
Special government services	327.5	239.6	--	--	327.5	239.6
Interest expense	975.0	537.0	--	--	975.0	537.0
State Lottery Fund	--	--	1,544.2	1,573.3	1,544.2	1,573.3
Unemployment Compensation Fund	--	--	1,937.4	1,828.5	1,937.4	1,828.5
Health Benefits	--	--	--	1,959.0	--	1,959.0
Total Expenses	45,927.7	45,341.7	3,481.6	5,360.8	49,409.3	50,702.5
Excess (Deficiency) Before Contributions and Transfers	(1,327.8)	(1,933.9)	899.1	602.0	(428.7)	(1,331.9)
Transfers	883.2	1,435.8	(883.2)	(785.8)	--	650.0
Increase (Decrease) in Net Assets	(444.6)	(498.1)	15.9	(183.8)	(428.7)	(681.9)
Net Assets - July 1	(8,311.4)	(7,617.2)	1,127.3	1,681.6	(7,184.1)	(5,935.6)
Net Assets - June 30	$ (8,756.0)	$ (8,115.3)	$ 1,143.2	$ 1,497.8	$ (7,612.8)	$ (6,617.5)

* As a result of implementing GASB Statement No. 43, *Financial Reporting for Post Employment Benefit Plans Other than Pension Plans*, three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds. The reclassification of Special Revenue Funds reduced the Fiscal Year 2007 beginning fund balance by $196.1 million and the reclassification of the Proprietary Funds reduced the beginning fund balance by $370.5 million.

** Fiscal Year 2006 Governmental Activities expenses were reduced by $29.2 million for the restatement to reflect the addition of intangible assets and revised land and building improvements.

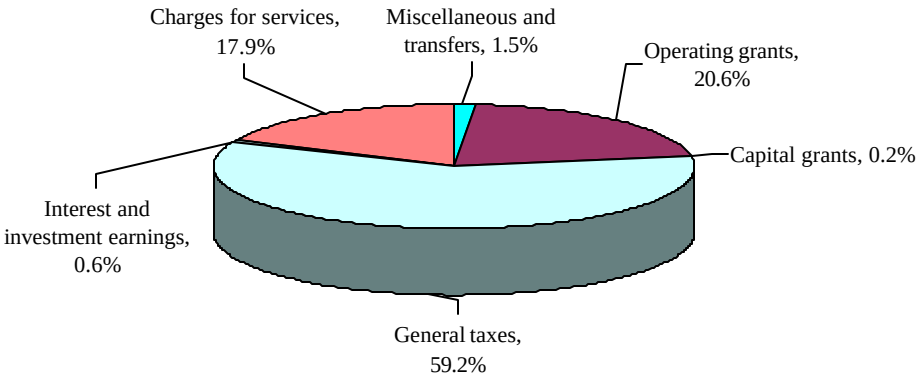
Primary Government – Fiscal Year 2007 Revenues and Expenditures

During Fiscal Year 2007, State revenues, including transfers, totaled $49.0 billion, a decrease of $1.0 billion from the prior fiscal year. This decrease was primarily due to the reclassification of funds resulting from the implementation of GASB Statement No. 43. General taxes totaled $29.0 billion and accounted for 59.2 percent of total State revenues for Fiscal Year 2007. This amount reflects a $2.3 billion increase from the prior fiscal year and reflects a partial year effect of an increase in the Sales and Use Tax rate to 7.0 percent from 6.0 percent and broadening of the Sales and Use Tax base to include certain services. The State's Gross Income Tax totaled $11.7 billion, the Sales and Use Tax totaled $8.8 billion, and the Corporation Business Tax totaled $3.1 billion. The State's three major taxes comprised 81.5 percent of the total general taxes that were collected during Fiscal Year 2007.

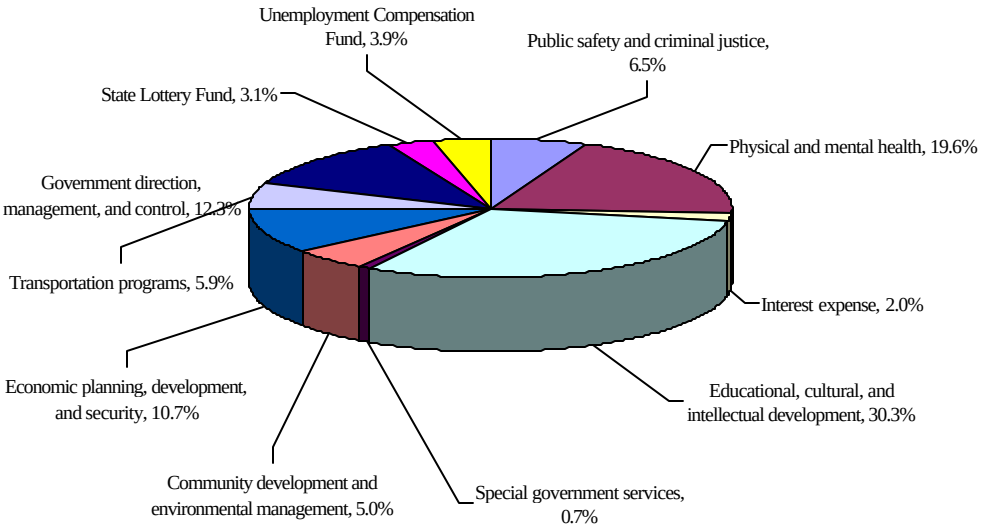
Fiscal Year 2007 expenditures totaled $49.4 billion, a decrease of $1.3 billion from the prior fiscal year. This decrease was primarily due to the reclassification of funds resulting from the implementation of GASB Statement No. 43. Offsets included increases of $767.9 million for educational, cultural and intellectual development, $477.9 million for transportation programs, $385.7 million for economic planning, development, and security, and $361.9 million for public safety and criminal justice. Overall, 49.9 percent of all State expenditures occurred in the areas of education, higher education, and physical and mental health.

The following pie charts depict primary government activities for revenues and expenditures for the fiscal year ended June 30, 2007:

Revenues – Primary Government
Fiscal Year Ended June 30, 2007



Expenditures – Primary Government
Fiscal Year Ended June 30, 2007


Unemployment Compensation Fund, 3.9%
Public safety and criminal justice, 6.5%
State Lottery Fund, 3.1%
Physical and mental health, 19.6%
Government direction, management, and control, 12.3%
Transportation programs, 5.9%
Interest expense, 2.0%
Economic planning, development, and security, 10.7%
Educational, cultural, and intellectual development, 30.3%
Community development and environmental management, 5.0%
Special government services, 0.7%

Component Units

Combined operating revenues and expenses for the State's component units for Fiscal Year 2007 amounted to $8.9 billion and $9.3 billion respectively. Total operations along with other revenue and expenses contributed to total combined net assets at fiscal year end of $15.1 billion. The component units received $1.3 billion in State appropriations during Fiscal Year 2007.

MAJOR GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the State's major governmental funds reported in the fund financial statements is on near term inflows, outflows, and balance of expendable resources, which are essential elements in assessing the State's financing needs and serve as useful measures of the government's net resources available for future spending. The State's governmental funds reported June 30, 2007 fund balances of $10.6 billion. The $829.4 million decrease in fund balance was largely from a reduction in the continuing appropriations and unreserved – undesignated fund balances in the non-major special revenue funds. The New Jersey Schools Construction Corporation and the New Jersey Transportation Trust Fund Authority had the greatest reduction.

General Fund

The General Fund is the State's chief operating fund and is the fund into which all State revenues, not otherwise restricted by statute, are deposited. The General Fund's ending fund balance totaled $4.6 billion, of which $2.9 billion represented unreserved fund balances. During Fiscal Year 2007, total fund balance increased by $243.6 million. The Surplus Revenue Fund is an account within the State's General Fund that is used as a "Rainy Day Fund." Surplus revenue is defined as an amount equivalent to 50.0 percent of the excess between the amount certified by the Governor at the time of the approval of the annual Appropriations Act and the amount of General Fund revenue reported from the annual financial report of the General Fund for that fiscal year. During Fiscal Year 2007, the State withdrew $100.0 million from the Surplus Revenue Fund. This amount was offset by $24.8 million in interest earnings that accrued on its fund balance during the fiscal year.

On a budgetary basis, general revenues of $28.0 billion were $3.6 billion lower than the final budget. The negative variance was primarily the result of unearned federal and other grant revenues of $1.6 billion, other of $1.1 billion, taxes of $375.6 million, services and assessments of $295.9 million, and licenses and fees of $186.6 million. Federal and other grant revenues are not earned unless there has been a grant award and eligible grant expenses incurred. To the extent that Federal and grant appropriations are made in anticipation of grant awards and the incurrence of grant expenditures, grant revenues are budgeted.

Total expenditures were $3.6 billion lower than original appropriations set forth in the annual Appropriations Act plus supplemental appropriations enacted during the fiscal year. A major cause for under spending resulted from the State's historical practice of over appropriating federal funds. This practice allows the State to receive the maximum federal dollars that become available. During Fiscal Year 2007, the State's appropriation of federal funds and other grants exceeded expenditures by $1.6 billion. These excess appropriations are available for use in future years. From a program perspective, under spending in Fiscal Year 2007 includes $907.4 million from physical and mental health, $618.6 million from economic planning, development and security, $559.6 million from community development and environmental management, $554.0 million from government direction, management, and control, $416.4 million from public safety and criminal justice, $370.5 million from educational, cultural, and intellectual development, $107.3 million from special government services, and $62.7 million from transportation.

Property Tax Relief Fund

The Property Tax Relief Fund accounts for revenues from the Gross Income Tax and one-half percent of the Sales and Use Tax that is constitutionally dedicated toward property tax relief. Appropriations from this fund must be used exclusively for the constitutional purpose of reducing or offsetting property taxes. During Fiscal Year 2007, $11.7 billion of property tax relief expenditures were made. The Property Tax Relief Fund's Fiscal Year 2007 ending unreserved – undesignated fund balance is $690.7 million. Of the $690.7 million balance, $649.3 million represents the one half percent of the Sales and Use Tax constitutional dedication to property tax relief that was enacted in Fiscal Year 2007 and not appropriated until Fiscal Year 2008.

PROPRIETARY FUNDS FINANCIAL ANALYSIS

State Lottery Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Available fund balances are transferred to the State's General Fund in support of the amounts annually

appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes, which are funded by the purchase of deposit fund contracts, are accounted for in this fund.

In Fiscal Year 2007, gross revenues totaled $2.4 billion, of which $1.4 billion was returned in prizes, $828.3 million went to state education and institutions, $184.8 million was paid to sales agents and ticket vendors, and $28.3 million covered Lottery operational and promotional expenses. As of June 30, 2007, the State Lottery, since its inception, has generated over $41.8 billion in gross revenues, $21.9 billion in prizes, and contributed $16.4 billion to the State.

Unemployment Compensation Fund

The Unemployment Compensation Fund accounts for monies deposited from employers and employees contributions for unemployment compensation, amounts credited or advances made by the Federal Government, and amounts received from any other source. After consideration is given to any claim for refund of overpayment of contributions, the Division of Employment Security transfers the remainder to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Administration of the State's capital assets falls under the purview of the Department of the Treasury. Capital assets are recorded in the State's capital asset system in the New Jersey Office of Management and Budget. The State has identified a significant amount of capital investment requirements for State facilities through the New Jersey Capital Budgeting and Planning Commission. Additionally, the Department of Transportation has identified significant requirements for additional bridge repair and maintenance. The budget and planning process prioritize these requirements and recommend funding to meet them.

The Fiscal Year 2007 capital budget included $3.1 billion of State and matching federal funds for both the Department of Transportation and the New Jersey Transit Corporation. The State's share, funded through the New Jersey Transportation Trust Fund Authority produced $750.0 million for State highways, $175.0 million for local highways, and $675.0 million for mass transit. During Fiscal Year 2007, the New Jersey Economic Development Authority issued $600.0 million of School Facilities Construction Bonds to help fund the New Jersey Schools Construction Corporation's program. As of June 30, 2007, a total of $6.1 billion of the $8.6 billion school facilities construction bond program has been issued. For Fiscal Year 2007, another $98.0 million of State funds were appropriated to the Garden State Preservation Trust for conservation purposes, while 4.0 percent of the Corporation Business Tax was appropriated to fund hazardous discharge cleanup, underground storage tank improvements, and surface water quality projects.

Capital asset data is shown below. The State's investment in capital assets, net of accumulated depreciation, totaled $17.9 billion as of June 30, 2007. Depreciation charges for Fiscal Year 2007 totaled $536.2 million.

Capital Assets (Net of Depreciation)
As of June 30
(Expressed in Millions)

	Total Primary Government	
	2007	2006*
Land and Easements	$ 4,184.0	$ 4,061.5
Land Improvements	133.7	140.8
Buildings and Improvements	1,245.1	1,352.2
Machinery and Equipment	115.4	135.8
Infrastructure	8,715.8	8,820.5
Sub-Total	14,394.0	14,510.8
Construction-In-Progress	3,478.8	2,340.1
Total	$ 17,872.8	$ 16,850.9

* Invested in capital assets, net of related debt, were restated for an increase of $29.2 million to reflect the addition of intangible assets and revised land and building improvements.

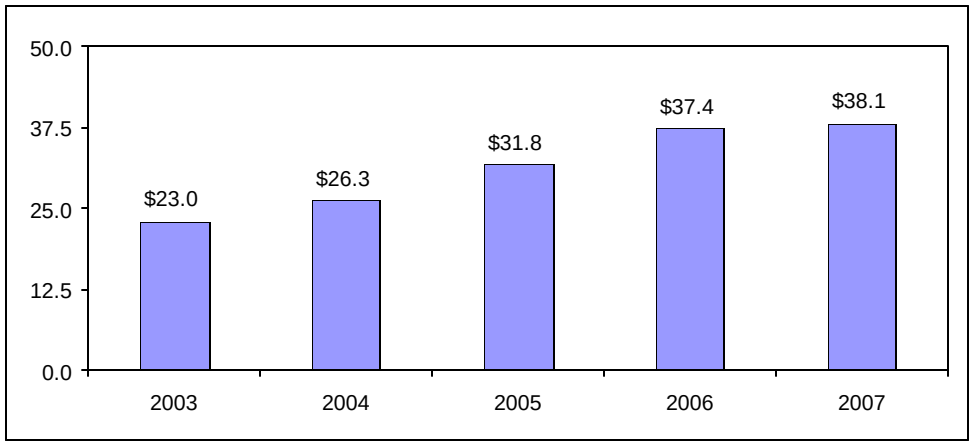
The funding for capital investment requirements could be derived either from the operating budget or from legislative or voter approved bonded debt.

More detailed information about the State's capital assets is presented in the Notes to the Financial Statements, Note 7 – Capital Assets.

Debt Administration

The New Jersey Office of Public Finance is responsible for issuing the State's short-term and long-term obligations as well as overseeing the State's credit ratings. As of June 30, 2007, New Jersey's outstanding long-term debt totaled $38.1 billion, a $0.7 billion increase over the prior fiscal year. In addition, the State has $10.9 billion of legislatively authorized bonding capacity that has not yet been issued. During Fiscal Year 2007, the legislatively authorized bonding capacity decreased by $313.2 million (See Statistical Section – Legislatively Authorized But Unissued Debt, 2007 and 2006). The State's long-term debt for the past five fiscal years is shown below:

Long-Term Obligations
Fiscal Year 2003 to Fiscal Year 2007
(Expressed in Billions)



More detailed information about the State's long-term debt is presented in the Notes to the Financial Statements, Note 10 – Long-term Obligations.

Standard & Poor's Corporation, Moody's Investors Service, and Fitch Ratings rate the State's debt. The State's short-term and long-term general obligation credit ratings did not change during Fiscal Year 2007. At any time in the future, with or without notice, the State's credit ratings may change. As of June 30, 2007, the State's short-term and long-term, general obligation credit ratings are as follows:

Rating Agency	Short-Term	Long-Term
Standard & Poor's Corporation	SP-1+	AA
Moody's Investors Service	MIG 1	Aa3
Fitch Ratings	F1+	AA-

ECONOMIC CONDITION AND OUTLOOK

As of December 2007, New Jersey's unemployment rate stood at 4.5 percent as compared to the nation's average of 5.0 percent. Generally improving labor market conditions have kept the State's monthly jobless rate below 5.0 percent for the forty-third time since June 2004. New Jersey's unemployment rate as of December 2006 was 4.2 percent.

During calendar year 2007, the State's payroll employment grew at an average annual rate of 0.6 percent after growing at rates of 0.9 percent in 2006, and 1.0 percent in 2005. The State has added approximately 151,600 jobs between the bottom of the employment cycle in March 2003 and December 2007. The level of payroll employment in December 2007 was 4.1 million, remaining above the 4.0 million mark for the forty-second consecutive month.

The preliminary growth rate for New Jersey's personal income of 6.4 percent for the third quarter of 2007 came in above the revised growth rate of 5.1 percent for the second quarter of 2007. Personal income is expected to grow at a moderate pace below 5.0 percent in 2008 and 2009.

The State and the nation may experience further near term deterioration in growth and the expected pace of economic expansion may stall if consumers, investors, and businesses become more concerned about energy prices, sub-prime mortgage and other financial market turmoil, and geopolitical tensions. To a large extent, the future direction of the economy nationally and in New Jersey hinges on the assumptions regarding economic recession, energy prices, and stability in financial markets. With the passage of a federal economic stimulus package along with supportive monetary and fiscal policies, based on information available as of the date of this report, the long term prospects for economic growth of the State are expected to remain stable in 2008 and beyond.

REQUEST FOR INFORMATION

This Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007 is designed to provide a general overview of the State of New Jersey's finances to our citizens, taxpayers, customers, investors, and creditors and to demonstrate the State's accountability for the money it receives and the stewardship over its resources. Requests concerning any of the data presented in this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2007 or for additional information should be addressed to the State of New Jersey, Office of Management and Budget, P.O. Box 221, 33 West State Street, Trenton, New Jersey, 08625. Historical copies of the Comprehensive Annual Financial Report, the State Budget, and the Appropriations Handbook are also available at the following website: www.state.nj.us/treasury/omb.

Basic Financial Statements

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
JUNE 30, 2007

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current Assets:				
Cash and cash equivalents	$ 249,979,948	$ 671,417	$ 250,651,365	$ 1,360,671,801
Investments	8,858,670,402	302,131,216	9,160,801,618	11,475,615,393
Receivables, net of allowances for uncollectibles				
Federal government	418,700,562	734,998,655	1,153,699,217	192,335,787
Departmental accounts	2,862,099,437	545,797,853	3,407,897,290	--
Loans	1,171,440,928	--	1,171,440,928	2,137,334,197
Mortgages	--	--	--	2,122,599,616
Other	916,463,853	48,064,112	964,527,965	840,048,607
Internal balances	106,889,142	(106,889,142)	--	--
Due from external parties	21,994,752	--	21,994,752	45,502,476
Inventories	--	--	--	128,618,839
Other	332,663,145	12,702,643	345,365,788	537,627,235
Noncurrent Assets:				
Investments	--	593,234,557	593,234,557	--
Pension assets	6,291,205	--	6,291,205	--
Capital assets - nondepreciated	7,662,816,233	--	7,662,816,233	3,264,083,523
Capital assets - depreciated, net	10,209,990,516	--	10,209,990,516	14,988,814,195
Other	202,205,808	--	202,205,808	--
Total Assets	33,020,205,931	2,130,711,311	35,150,917,242	37,093,251,669
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued expenses	2,681,043,135	146,997,992	2,828,041,127	998,438,422
Due to external parties	74,047,932	--	74,047,932	124,890,893
Interest payable	251,193,218	--	251,193,218	174,512,067
Deferred revenue	326,367,338	--	326,367,338	313,158,982
Current portion of long-term obligations	1,894,389,351	146,739,504	2,041,128,855	976,069,325
Other	301,458,913	100,018,072	401,476,985	399,258,152
Noncurrent Liabilities:				
Due in more than one year	36,247,709,606	593,754,765	36,841,464,371	19,002,371,256
Total Liabilities	41,776,209,493	987,510,333	42,763,719,826	21,988,699,097
NET ASSETS				
Invested in capital assets, net of related debt	6,347,549,349	--	6,347,549,349	1,922,420,093
Restricted for:				
Capital projects	--	--	--	889,252,160
Physical and mental health	202,656,953	--	202,656,953	--
Educational, cultural, and intellectual development	776,477,918	--	776,477,918	--
Community development and environmental management	2,561,287,889	--	2,561,287,889	--
Economic planning, development, and security	705,159,545	--	705,159,545	--
Debt service	309,287,392	--	309,287,392	6,323,966,143
Property tax relief	704,102,371	--	704,102,371	--
Unemployment	--	1,097,367,797	1,097,367,797	--
Other	537,499,313	45,833,181	583,332,494	3,617,267,908
Unrestricted	(20,900,024,292)	--	(20,900,024,292)	2,351,646,268
Total Net Assets	$ (8,756,003,562)	$ 1,143,200,978	$ (7,612,802,584)	$ 15,104,552,572

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

		Program Revenues		
	Expenses	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Functions - Programs				
Primary Government				
Governmental activities:				
Public safety and criminal justice	$ 3,189,738,016	$ 1,080,289,124	$ 242,694,986	$ 2,115,587
Physical and mental health	9,682,059,174	714,009,222	501,693,728	133,857
Educational, cultural, and intellectual development	14,968,392,038	111,132,427	897,635,006	--
Community development and environmental management	2,484,549,360	271,482,960	531,738,881	83,218,572
Economic planning, development and security	5,300,656,981	1,044,939,594	715,217,973	10,253
Transportation programs	2,913,016,649	15,469,775	943,600,339	18,680,415
Government direction, management, and control	6,086,793,992	1,081,582,305	6,183,399,377	--
Special government services	327,486,330	131,728,068	16,737,036	4,341,041
Interest expense	975,026,101	--	--	--
Total governmental activities	45,927,718,641	4,450,633,475	10,032,717,326	108,499,725
Business-type activities:				
State Lottery Fund	1,544,183,089	2,392,335,078	6,177,216	--
Unemployment Compensation Fund	1,937,370,978	1,915,088,905	67,137,640	--
Total business-type activities	3,481,554,067	4,307,423,983	73,314,856	--
Total Primary Government	$ 49,409,272,708	$ 8,758,057,458	$ 10,106,032,182	$ 108,499,725
Component Units:				
Authorities	$ 4,472,659,866	$ 2,230,887,051	$ 1,344,241,836	$ 1,153,333,470
Colleges and Universities	4,781,510,664	2,259,272,681	1,892,782,300	23,630,294
Total Component Units	$ 9,254,170,530	$ 4,490,159,732	$ 3,237,024,136	$ 1,176,963,764
General Revenues and Transfers:				
Taxes:				
Gross Income Tax				
Sales and Use Tax				
Corporate Business Tax				
Other taxes				
Investment earnings				
Payments from State				
Miscellaneous				
Transfers				
Total general revenue and transfers				
Change in Net Assets				
Net Asset July 1, 2006 (Restated)				
Net Assets June 30, 2007				

The accompanying notes are an integral part of the financial statements.

----------Net (Expense) Revenue and Changes in Net Assets----------

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (1,864,638,319)	$ --	$ (1,864,638,319)	$ --
(8,466,222,367)	--	(8,466,222,367)	--
(13,959,624,605)	--	(13,959,624,605)	--
(1,598,108,947)	--	(1,598,108,947)	--
(3,540,489,161)	--	(3,540,489,161)	--
(1,935,266,120)	--	(1,935,266,120)	--
1,178,187,690	--	1,178,187,690	--
(174,680,185)	--	(174,680,185)	--
(975,026,101)	--	(975,026,101)	--
(31,335,868,115)	--	(31,335,868,115)	--
--	854,329,205	854,329,205	--
--	44,855,567	44,855,567	--
--	899,184,772	899,184,772	--
--	899,184,772	(30,436,683,343)	--
--	--	--	255,802,491
--	--	--	(605,825,389)
--	--	--	(350,022,898)
11,727,192,312	--	11,727,192,312	--
8,822,162,850	--	8,822,162,850	--
3,084,921,689	--	3,084,921,689	--
5,349,124,112	--	5,349,124,112	--
271,714,820	--	271,714,820	--
--	--	--	1,287,857,904
752,892,468	--	752,892,468	--
883,236,361	(883,236,361)	--	--
30,891,244,612	(883,236,361)	30,008,008,251	1,287,857,904
(444,623,503)	15,948,411	(428,675,092)	937,835,006
(8,311,380,059)	1,127,252,567	(7,184,127,492)	14,166,717,566
$ (8,756,003,562)	$ 1,143,200,978	$ (7,612,802,584)	$ 15,104,552,572

STATE OF NEW JERSEY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 57,018,656	$ --	$ 192,961,292	$ 249,979,948
Investments	3,874,790,938	--	4,983,879,464	8,858,670,402
Receivables, net of allowances for uncollectibles				
Federal government	193,242,790	--	107,302,023	300,544,813
Departmental accounts	1,975,320,471	576,756,899	310,022,067	2,862,099,437
Loans	21,748,793	--	1,149,692,135	1,171,440,928
Other	205,462,726	--	343,187,860	548,650,586
Due from other funds	1,539,277,518	987,490,764	400,313,238	2,927,081,520
Other	32,500,204	--	173,877	32,674,081
Total Assets	$ 7,899,362,096	$ 1,564,247,663	$ 7,487,531,956	$ 16,951,141,715
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accruals	$ 1,693,323,170	$ 46,287,092	$ 941,432,871	$ 2,681,043,133
Deferred revenue	311,223,246	--	157,336,092	468,559,338
Due to other funds	1,175,825,812	707,799,379	988,620,367	2,872,245,558
Other	117,142,957	106,058,821	78,257,135	301,458,913
Total Liabilities	3,297,515,185	860,145,292	2,165,646,465	6,323,306,942
Fund Balances				
Reserved for:				
Encumbrances	974,465,893	13,373,575	1,218,866,206	2,206,705,674
Surplus revenue	484,564,562	--	--	484,564,562
Other	251,357,872	--	1,538,572,363	1,789,930,235
Unreserved:				
General Fund	2,891,458,584	--	--	2,891,458,584
Special Revenue Funds	--	690,728,796	2,458,924,497	3,149,653,293
Capital Projects Funds	--	--	105,522,425	105,522,425
Total Fund Balances	4,601,846,911	704,102,371	5,321,885,491	10,627,834,773
Total Liabilities and Fund Balances	$ 7,899,362,096	$ 1,564,247,663	$ 7,487,531,956	$ 16,951,141,715

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2007

Total fund balances-governmental funds		$ 10,627,834,773
Amounts reported for governmental activities in the statement of net assets are different as a result of the following items:		
The State has receivables which are not current resources and therefore are not reported in the fund perspective.		485,969,014
In the government-wide statements deferred issuance costs are capitalized and amortized over a period of years, but are reported as expenditures in the fund perspective.		299,989,064
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund perspective. These assets consist of:		
Infrastructure assets	$ 14,515,577,442	
Buildings and improvements	2,767,329,242	
Land and land improvement	4,385,256,174	
Other capital assets	3,849,854,958	
Accumulated depreciation	(7,645,211,067)	17,872,806,749
Deferred tobacco settlement revenue recorded in the fund perspective is recognized as revenue and not deferred in the statement of net assets.		142,192,000
The pension and other assets are not current and therefore are not reported in the fund perspective.		208,497,013
Some liabilities are not due and payable in the current period and therefore are not reported in the fund perspective. Those liabilities consist of:		
Current Liabilities		
Accrued interest		(251,193,218)
Noncurrent Liabilities		
Bonds and notes payable	(15,663,145,734)	
Installment obligations	(17,185,158,544)	
Loans payable	(1,279,358,087)	
Capital leases	(682,812,557)	
Compensated absences	(578,527,546)	
Unamortized deferral on refunding bonds	924,227,466	
Unamortized premium	(1,397,407,017)	
Tobacco Settlement Financing Corporation, Inc. Bonds	(4,643,694,015)	
Unamortized discount on Capital Appreciation Bonds	6,522,644,357	
Other noncurrent liabilities	(4,158,867,280)	(38,142,098,957)
Net assets of governmental activities		$ (8,756,003,562)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 15,038,368,917	$ 12,376,516,638	$ 1,708,532,324	$ 29,123,417,879
Federal and other grants	8,400,214,087	--	989,654,968	9,389,869,055
Licenses and fees	1,234,299,235	--	127,198,845	1,361,498,080
Services and assessments	1,580,278,356	--	945,105,727	2,525,384,083
Investment earnings	153,902,721	--	286,913,249	440,815,970
Contributions	1,620	--	100,205	101,825
Other	2,105,802,258	--	318,895,512	2,424,697,770
Total Revenues	28,512,867,194	12,376,516,638	4,376,400,830	45,265,784,662
EXPENDITURES				
Current:				
Public safety and criminal justice	3,130,834,998	--	116,148,318	3,246,983,316
Physical and mental health	9,295,457,377	--	408,299,294	9,703,756,671
Educational, cultural, and intellectual development	4,601,536,207	9,430,425,481	1,141,666,762	15,173,628,450
Community development and environmental management	1,233,852,074	888,562,918	496,369,056	2,618,784,048
Economic planning, development, and security	4,449,974,963	--	926,624,330	5,376,599,293
Transportation programs	468,228,304	--	2,386,939,753	2,855,168,057
Government direction, management, and control	5,110,640,066	1,367,947,581	304,881,719	6,783,469,366
Special government services	327,889,602	--	139,666	328,029,268
Capital Outlay	104,958,577	--	--	104,958,577
Debt Service:				
Principal	254,244,874	--	303,957,452	558,202,326
Interest	173,538,945	--	606,160,874	779,699,819
Total Expenditures	29,151,155,987	11,686,935,980	6,691,187,224	47,529,279,191
Excess (deficiency) of revenues over expenditures	(638,288,793)	689,580,658	(2,314,786,394)	(2,263,494,529)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	--	--	48,745,000	48,745,000
Transfers from other funds	1,951,506,201	--	3,304,086,884	5,255,593,085
Transfers to other funds	(1,778,734,700)	--	(2,593,579,886)	(4,372,314,586)
Other sources	817,756,130	--	3,623,280,908	4,441,037,038
Other uses	(108,625,553)	--	(3,634,332,000)	(3,742,957,553)
Total other financing sources (uses)	881,902,078	--	748,200,906	1,630,102,984
Excess (deficiency) of revenues and other sources over expenditures and other uses	243,613,285	689,580,658	(1,566,585,488)	(633,391,545)
Fund balances - July 1, 2006	4,358,233,626	14,521,713	6,888,470,979	11,261,226,318
Fund balances - June 30, 2007	$ 4,601,846,911	$ 704,102,371	$ 5,321,885,491	$ 10,627,834,773

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
RECONCILIATION OF THE CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Net change in fund balance - total governmental funds		$ (633,391,545)
Amounts reported for governmental activities in the statement of activities are different as a result of the following items:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	$ 1,558,136,495	
Depreciation expense	(536,173,639)	
Excess of capital outlay over depreciation expense		1,021,962,856
Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from revenue and general obligation bonds.		(321,107,094)
Some capital additions were financed through capital leases, certificates of participation and installment obligations. In governmental funds these arrangements are considered a source of financing, but in the statement of net assets, these arrangements are reported as a liability.		(704,016,389)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year these amounts consist of:		
Bond principal retirement	553,145,000	
Capital lease payments	64,533,092	
Installment obligation retirement	382,207,188	
Certificates of participation retirement	31,852,212	
Tobacco Settement Financing Corp, Inc.	43,545,000	
Total long-term debt repayment		1,075,282,492
Some revenues will not be collected for several months after the fiscal year ends, they are not considered "available" revenues and are not accrued in the governmental funds. The Fiscal Year 2007 receivable balances decreased by this amount.		(142,358,020)
Some revenues recorded in the Statement of Activities do not provide current financial resources and therefore are deferred in the fund perspective.		15,709,000
In the government-wide statements certain items are capitalized and amortized over a period of years, but are reported as expenditures or other financing sources and uses in the fund perspective. These activites consist of:		
Decrease in unamortized premiums	103,443,116	
Increase in deferral on refunding issues	319,657,917	
Decrease in deferred issuance costs	(23,133,970)	
Decrease in bond discount	(76,909,450)	
Total capitalized and amortized items		323,057,613
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures or reductions of revenue in governmental funds. These activities consist of:		
Net decrease in accrued interest	(236,643,313)	
Increase in compensated absences, net pension obligation, and other	(847,157,046)	
Decrease in pension assets	(1,965,656)	
Increase in other assets	6,003,599	
Total additional expenditures and revenue reductions		(1,079,762,416)
Change in net assets of governmental activities		$ (444,623,503)

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
ASSETS			
Current Assets			
Cash and cash equivalents	$ 293,192	$ 378,225	$ 671,417
Investments	301,108,769	1,022,447	302,131,216
Receivables, net of allowances for uncollectibles			
Federal government	--	734,998,655	734,998,655
Departmental accounts	--	545,797,853	545,797,853
Other	15,617,256	32,446,856	48,064,112
Due from other funds	--	18,419,022	18,419,022
Other	12,702,643	--	12,702,643
Noncurrent Assets			
Investments	593,234,557	--	593,234,557
Total Assets	922,956,417	1,333,063,058	2,256,019,475
LIABILITIES			
Current Liabilities			
Accounts payable	79,703,172	67,294,820	146,997,992
Due to other funds	92,332,586	32,975,578	125,308,164
Current portion of long-term obligations	146,739,504	--	146,739,504
Other	--	100,018,072	100,018,072
Noncurrent Liabilities			
Due in more than one year	593,754,765	--	593,754,765
Total Liabilities	912,530,027	200,288,470	1,112,818,497
NET ASSETS			
Restricted for:			
Unemployment compensation	--	1,097,367,797	1,097,367,797
Other purposes	10,426,390	35,406,791	45,833,181
Total Net Assets	$ 10,426,390	$ 1,132,774,588	$ 1,143,200,978

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
OPERATING REVENUES			
Sales and charges for services	$ 2,350,891,832	$ --	$ 2,350,891,832
Assessments	--	1,913,106,804	1,913,106,804
From federal agencies	--	34,858,053	34,858,053
Other	41,443,246	1,982,101	43,425,347
Total Operating Revenues	2,392,335,078	1,949,946,958	4,342,282,036
OPERATING EXPENSES			
Unemployment compensation	--	1,937,370,978	1,937,370,978
Lottery prize awards	1,359,400,245	--	1,359,400,245
Other	184,782,844	--	184,782,844
Total Operating Expenses	1,544,183,089	1,937,370,978	3,481,554,067
Operating Income (Loss)	848,151,989	12,575,980	860,727,969
NONOPERATING REVENUES (EXPENSES)			
Investment income	6,177,216	32,279,587	38,456,803
Total Nonoperating Revenues (Expenses)	6,177,216	32,279,587	38,456,803
Income (Loss) Before Transfers	854,329,205	44,855,567	899,184,772
Transfers from other funds	--	5,298,510	5,298,510
Transfers to other funds	(856,605,086)	(31,929,785)	(888,534,871)
Change in Net Assets	(2,275,881)	18,224,292	15,948,411
Total Net Assets - July 1, 2006	12,702,271	1,114,550,296	1,127,252,567
Total Net Assets - June 30, 2007	$ 10,426,390	$ 1,132,774,588	$ 1,143,200,978

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	State Lottery Fund	Unemployment Compensation Fund	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts received from customers	$ 1,162,505,709	$ --	$ 1,162,505,709
Receipts from federal and local agencies	--	135,228,397	135,228,397
Receipts from assessments	--	1,771,891,721	1,771,891,721
Payments to suppliers	(53,180,440)	--	(53,180,440)
Payments to prize winners	(389,912,274)	--	(389,912,274)
Claims paid	--	(1,901,697,422)	(1,901,697,422)
Other receipts (payments)	129,245,125	--	129,245,125
Net cash provided (used) by operating activities	848,658,120	5,422,696	854,080,816
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	(848,254,830)	(39,522,748)	(887,777,578)
Net cash provided (used) by noncapital financing activities	(848,254,830)	(39,522,748)	(887,777,578)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	1,121,854,000	41,851,607	1,163,705,607
Purchase of investments	(1,125,192,600)	(8,000,000)	(1,133,192,600)
Net cash provided (used) by investing activities	(3,338,600)	33,851,607	30,513,007
Net increase (decrease) in cash and cash equivalents	(2,935,310)	(248,445)	(3,183,755)
Cash and cash equivalents - July 1, 2006	3,228,502	626,670	3,855,172
Cash and cash equivalents - June 30, 2007	$ 293,192	$ 378,225	$ 671,417
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 848,151,989	$ 12,575,980	$ 860,727,969
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Net changes in assets and liabilities:			
Current assets	8,408,035	(78,809,035)	(70,401,000)
Noncurrent assets	51,739,769	--	51,739,769
Current liabilities	(306,069)	71,655,751	71,349,682
Noncurrent liabilities	(59,335,604)	--	(59,335,604)
Net cash provided (used) by operating activities	$ 848,658,120	$ 5,422,696	$ 854,080,816

The accompanying notes are an integral part of the financial statements.

STATE OF NEW JERSEY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2007

	Agency Funds	Investment Trust Fund
ASSETS		
Cash and cash equivalents	$ 9,254,587	$ 90
Securities lending collateral	--	--
Investments	111,371,728	3,143,546,141
Receivables, net of allowances for uncollectibles		
Members	156,007	--
Employers	1,801,378	--
Interest and dividends	--	--
Departmental accounts	448,663	--
Other	41,822	12,950,137
Due from other funds	28,125,070	--
Other	--	--
Total Assets	151,199,255	3,156,496,368
LIABILITIES		
Accounts payable	147,530,173	--
Benefits payable	--	--
Securities lending collateral and rebates payable	--	--
Due to other funds	3,669,082	2,796,045
Total Liabilities	151,199,255	2,796,045
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	$ --	$ 3,153,700,323

The accompanying notes are an integral part of the financial statements.

	Pension and Other Employee Benefits Trust Funds		Private Purpose Trust Funds
$	1,397,016	$	214,083
	18,488,147,522		--
	85,685,740,296		13,039,231
	189,511,006		--
	2,704,811,574		--
	527,522,312		--
	--		--
	--		--
	47,753,203		--
	1,255,831,450		--
	108,900,714,379		13,253,314
	50,201,351		3,560,153
	604,045,841		--
	18,488,147,522		--
	12,895,604		4,464,362
	19,155,290,318		8,024,515
$	89,745,424,061	$	5,228,799

STATE OF NEW JERSEY
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Investment Trust Fund	Pension and Other Employee Benefits Trust Funds	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Members	$ --	$ 1,848,119,957	$ --
Employers	--	5,627,460,578	--
Other	12,204,556,819	8,528,960	--
Total Contributions	12,204,556,819	7,484,109,495	--
Investment Income:			
Net increase (decrease) in fair value of investments	--	9,639,401,909	--
Interest and dividends	192,866,667	2,510,772,265	628,669
Total Investment Income	192,866,667	12,150,174,174	628,669
Less investment expense	--	10,862,919	--
Net Investment Income	192,866,667	12,139,311,255	628,669
Miscellaneous	--	--	254,852
Total Additions	12,397,423,486	19,623,420,750	883,521
DEDUCTIONS			
Benefit payments	--	9,528,663,826	--
Refunds of contributions	--	120,147,063	--
Refunds and transfers to other systems	--	--	42,138
Administrative expense	2,796,045	45,890,771	--
Payments in accordance with trust agreements	--	--	1,816,516
Distributions to shareholders	12,180,954,251	--	--
Total Deductions	12,183,750,296	9,694,701,660	1,858,654
Total Changes in Net Assets Held In Trust	213,673,190	9,928,719,090	(975,133)
Net Assets - July 1, 2006 (Restated)	2,940,027,133	79,816,704,971	6,203,932
Net Assets - June 30, 2007	$ 3,153,700,323	$ 89,745,424,061	$ 5,228,799

The accompanying notes are an integral part of the financial statements.

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2007

	New Jersey Transit Corporation	New Jersey Turnpike Authority	Rutgers, The State University of New Jersey
ASSETS			
Current Assets			
Cash and cash equivalents	$ 84,715,416	$ 86,712,404	$ 34,841,000
Investments	2,061,032,968	1,281,728,225	1,102,101,000
Receivables, net of allowances for uncollectibles			
Federal government	130,438,932	--	--
Loans	--	--	8,838,000
Mortgages	--	--	--
Other	--	27,926,308	158,856,000
Due from external parties	--	10,828,504	--
Inventories	89,677,582	19,187,635	4,408,000
Other	106,775,003	75,039,556	101,724,000
Noncurrent Assets			
Capital assets - nondepreciated	1,059,091,086	1,193,869,794	104,057,000
Capital assets - depreciated, net	5,987,534,918	2,823,939,643	1,505,785,000
Total Assets	9,519,265,905	5,519,232,069	3,020,610,000
LIABILITIES			
Current Liabilities			
Accounts payable	313,374,129	82,073,365	76,571,000
Due to external parties	--	111,354,952	--
Interest payable	--	86,273,891	--
Deferred revenue	--	702,015	48,170,000
Current portion of long-term obligations	425,115,444	71,483,923	98,883,000
Other	44,172,117	8,665,526	2,655,000
Noncurrent Liabilities			
Due in more than one year	3,561,906,483	5,015,465,115	574,937,000
Total Liabilities	4,344,568,173	5,376,018,787	801,216,000
NET ASSETS			
Invested in capital assets, net of related debt	--	(944,005,495)	1,032,839,000
Restricted for:			
Capital projects	--	703,647,010	35,393,000
Debt service	5,465,827,884	80,609,170	16,935,000
Other purposes	9,076,235	271,066	677,571,000
Unrestricted	(300,206,387)	302,691,531	456,656,000
Total Net Assets	$ 5,174,697,732	$ 143,213,282	$ 2,219,394,000

The accompanying notes are an integral part of the financial statements.

University of Medicine and Dentistry of New Jersey	Non-Major Component Units	Total Component Units
$ 40,767,000	$ 1,113,635,981	$ 1,360,671,801
548,005,000	6,482,748,200	11,475,615,393
22,038,000	39,858,855	192,335,787
31,891,000	2,096,605,197	2,137,334,197
--	2,122,599,616	2,122,599,616
219,593,000	433,673,299	840,048,607
--	34,673,972	45,502,476
12,795,000	2,550,622	128,618,839
44,914,000	209,174,676	537,627,235
56,565,000	850,500,643	3,264,083,523
1,029,148,000	3,642,406,634	14,988,814,195
2,005,716,000	17,028,427,695	37,093,251,669
271,140,000	255,279,928	998,438,422
--	13,535,941	124,890,893
3,557,000	84,681,176	174,512,067
48,579,000	215,707,967	313,158,982
62,131,000	318,455,958	976,069,325
4,465,000	339,300,509	399,258,152
706,334,000	9,143,728,658	19,002,371,256
1,096,206,000	10,370,690,137	21,988,699,097
459,138,000	1,374,448,588	1,922,420,093
21,278,000	128,934,150	889,252,160
42,342,000	718,252,089	6,323,966,143
393,705,000	2,536,644,607	3,617,267,908
(6,953,000)	1,899,458,124	2,351,646,268
$ 909,510,000	$ 6,657,737,558	$ 15,104,552,572

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	New Jersey Transit Corporation	New Jersey Turnpike Authority	Rutgers, The State University of New Jersey
Expenses	$ 2,201,757,474	$ 852,712,740	$ 1,513,767,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	737,912,263	827,051,342	613,845,000
Operating grants and contributiions	616,450,793	61,560,561	754,229,000
Capital grants and contributions	537,909,641	--	14,891,000
Net (Expense) Revenue	(309,484,777)	35,899,163	(130,802,000)
General Revenue			
Payments from State	298,200,000	--	309,370,000
Total General Revenue	298,200,000	--	309,370,000
Change in Net Assets	(11,284,777)	35,899,163	178,568,000
Net Assets - Beginning of Year (Restated)	5,185,982,509	107,314,119	2,040,826,000
Net Assets - End of Year	$ 5,174,697,732	$ 143,213,282	$ 2,219,394,000

The accompanying notes are an integral part of the financial statements.

University of Medicine and Dentistry of New Jersey	Non-Major Component Units	Total Component Units
$ 1,679,424,000	$ 3,006,509,316	$ 9,254,170,530
846,601,000	1,464,750,127	4,490,159,732
548,567,000	1,256,216,782	3,237,024,136
3,261,000	620,902,123	1,176,963,764
(280,995,000)	335,359,716	(350,022,898)
272,784,000	407,503,904	1,287,857,904
272,784,000	407,503,904	1,287,857,904
(8,211,000)	742,863,620	937,835,006
917,721,000	5,914,873,938	14,166,717,566
$ 909,510,000	$ 6,657,737,558	$ 15,104,552,572

STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS
INDEX

Notes		Page
1	Summary of Significant Accounting Policies	48
2	Other Accounting Disclosures	55
3	Cash and Cash Equivalents	58
4	Investments	58
5	Securities Lending Collateral	65
6	Receivables	67
7	Capital Assets	68
8	Interfund Transactions	69
9	Short-Term Debt	71
10	Long-Term Obligations	71
11	Risk Management and Insurance Coverage	74
12	Derivatives	75
13	Other Liabilities	77
14	Fund Balances/Net Assets Restricted By Enabling Legislation	78
15	Other Financing Sources/Uses - Other	79
16	Operating Leases	79
17	Retirement Systems, Health Benefits, and Post Retirement Medical Benefits	80
18	Component Units	86
19	Contingent Liabilities	90
20	Subsequent Events	91

STATE OF NEW JERSEY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements have been prepared primarily from accounts and records maintained by the Director of the Office of Management and Budget. The financial data for the various public benefit corporations, authorities, commissions, colleges and universities has been derived from reports prepared by those organizations based on their independent accounting systems.

B. Financial Reporting Entity

For financial reporting purposes the State of New Jersey includes all fund types, departments, and agencies of the State, as well as boards, commissions, authorities, colleges and universities, for which the State is financially accountable. The following circumstances set forth the State's financial accountability for a legally separate organization:

1. The State is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

2. The State may be financially accountable if an organization is fiscally dependent on the State regardless of whether the organization has (a) a separately elected governing board or (b) a jointly appointed board.

Entities for which the State is financially accountable such as boards, commissions, authorities, colleges and universities are considered component units. These component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Component units are either discretely presented or blended. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government (the State). Blending requires the component unit's balances and transactions to be reported in a manner similar to the balances and transactions of the State.

The following organizations comprise the State's component units. The Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey Schools Construction Corporation, the Tobacco Settlement Financing Corporation, Inc., and the New Jersey Transportation Trust Fund Authority are blended component units since they provide services entirely, or almost entirely to the State. Additional pertinent information related to them is disclosed in the notes of the primary government. All other component units have been discretely presented. Descriptions of the discretely presented component units and addresses from which complete financial statements of the respective component units can be obtained is detailed in Note 18.

COLLEGES AND UNIVERSITIES

The College of New Jersey
Thomas Edison State College
Kean University
Montclair State University
New Jersey City University
New Jersey Institute of Technology
The William Paterson University of New Jersey
Ramapo College of New Jersey
Rowan University
Rutgers, The State University of New Jersey
The Richard Stockton College of New Jersey
University of Medicine and Dentistry of New Jersey

AUTHORITIES

Casino Reinvestment Development Authority
Garden State Preservation Trust
Higher Education Student Assistance Authority
New Jersey Building Authority
New Jersey Commerce, Economic Growth and Tourism Commission
New Jersey Development Authority for Small Businesses,
Minorities and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Environmental Infrastructure Trust
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Schools Construction Corporation
New Jersey Sports and Exposition Authority
New Jersey Transit Corporation
New Jersey Transportation Trust Fund Authority
New Jersey Turnpike Authority
New Jersey Water Supply Authority
South Jersey Port Corporation
South Jersey Transportation Authority
Tobacco Settlement Financing Corporation, Inc.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these government-wide statements. Governmental activities, which normally are supported by taxes and intragovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of net assets measures not just current assets and liabilities, but also long-term assets and liabilities such as capital assets (including infrastructure assets) and long-term debt. The difference between the State's assets and its liabilities is its net assets. Net assets are displayed in three components - invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. The amount of net assets that are restricted by enabling legislation is disclosed in Note 14. When both restricted and unrestricted resources are available for use, generally it is the State's policy to use restricted resources first, then unrestricted resources as they are needed.

The statement of activities is presented in a format that reports the net (expense) revenue of the State's individual functions. The net (expense) revenue format reports the relative financial burden of each of the State's functions on its taxpayers. This format identifies the extent to which each function of the government draws from the general revenues of the State or is self-financed through licenses, fees, permits, and other revenues.

Program revenues originate from the program or from parties other than the government's taxpayers or citizens as a whole and reduce the expenses of the function to be financed by general revenues. Categories of program revenues that are separately reported in the statement are charges for services, program specific operating grants and contributions, and program specific capital grants and contributions. Charges for services are revenues from exchange or exchange-like transactions with external parties that purchase, use, or directly benefit from the program's goods, services, or privileges. These revenues include fees charged for specific services, licenses and permits, and operating special assessments, as well as payments from exchange transactions with other governments. Program specific operating and capital grants and contributions are revenues from mandatory and voluntary nonexchange transactions with external parties that are restricted for use in a particular program. All other revenues are general revenues, including all taxes, even if levied for a specific purpose. A special item is a significant transaction or other event within the control of management that is either (1) unusual in nature, or (2) infrequent in occurrence. An extraordinary item is a transaction or other event that is both (1) unusual in nature and (2) infrequent in occurrence.

In the statement of activities, all expenses are reported by function except those that are special or extraordinary items. Each function reports direct expenses – those specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Some functions, such as government direction, management and control, include expenses that are indirect expenses of other functions. The State does not allocate indirect expenses to the other functions.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and component units. However, the fiduciary funds are not included in the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus and Basis of Accounting

Government-wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The government-wide financial statements report all financial and capital assets (including infrastructure assets), short and long-term liabilities, revenues, expenses, gains, and losses using the economic resources measurement focus and the accrual basis of accounting. Activity and balances resulting from exchange and exchange-like transactions are recognized when the exchange takes place; those resulting from nonexchange transactions are recognized based on the provisions of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Governmental Fund Financial Statements – The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

In accordance with the modified accrual basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the fiscal period. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, these revenues which are considered to be susceptible to accrual include amounts received during the three month period subsequent to June 30 that were earned as of June 30. On an exception basis, the State will occasionally accrue amounts received after this three month period but within twelve months subsequent to June 30. Those revenues which are considered to be susceptible to accrual include sales tax, individual income taxes, corporate income taxes, and federal grants. Licenses, fees, permits and other sources are recognized when received since they normally are measurable only at that time. Revenue refunds payable are recorded as other liabilities. Unapplied overpayments of Corporation Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayments.

Expenditures are recognized when the related fund liabilities are incurred. Expenditures for compensated absences, claims, and judgments are recorded to the extent they would normally be liquidated with available financial resources. Disbursements for prepaid expenses, inventory items, and fixed assets are recorded when expenditures are incurred. Expenditures for principal and interest on general obligation long-term debt are recognized when due.

Proprietary Funds, Fiduciary Funds, and Component Units Financial Statements – The financial statements of the proprietary funds, fiduciary funds, and component units are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide statements previously described.

Each proprietary fund has the option under Governmental Accounting Standards Board (GASB), Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to elect to apply all Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989 unless FASB conflicts with GASB. The State has elected to not apply FASBs issued after the applicable date.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The State's enterprise funds are the Unemployment Compensation Fund and the State Lottery Fund.

The Unemployment Compensation Fund's principle ongoing operations consist of assessments received from employers and employees and the subsequent disbursement of monies to persons entitled to receive unemployment benefits. Collections and disbursements to eligible recipients are classified as operating revenues and expenses. The State Lottery Fund's principle ongoing operations, which are classified as operating revenues and expenses, consist of receipts from lottery ticket sales and subsequent disbursements of monies to lottery winners.

E. Fund Accounting

The financial activities of the State are recorded in individual funds, each of which is deemed to be a separate accounting entity. The State uses fund accounting to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which represent the fund's assets, liabilities, residual equities or balances, revenues, and expenditures or expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

1. Major Funds

The State reports the General Fund and the Property Tax Relief Fund as major governmental funds. The State also reports the State Lottery Fund and the Unemployment Compensation Fund as major enterprise funds. Descriptions are as follows:

a. General Fund – This fund accounts for all State revenues, not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this fund. The Appropriations Act enacted by the Legislature provides the basic framework for the operations of the General Fund.

b. Property Tax Relief Fund – This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 increased the sales tax rate from six percent to seven percent; of the additional one percent, half a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

c. State Lottery Fund – This fund accounts for monies derived from the sale of lottery tickets and the subsequent payment of prizes to holders of winning lottery tickets.

d. Unemployment Compensation Fund – This fund accounts for assessments received from employers and employees for unemployment compensation, and amounts credited or advances made by the Federal government to be used to provide benefits to eligible unemployed workers.

2. Governmental Fund Types

a. Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than special assessments, private-purpose trusts, or major capital projects) that are legally restricted to expenditure for specific purposes such as education, environment, and health care.

b. Capital Projects Funds – To account for financial resources, usually general obligation bonds, capital projects funds are used for the acquisition or construction of major capital facilities for State use such as mental health, educational and correctional facilities, and public transportation projects. Funds granted to other units of government are not classified as capital projects funds and are included as expenditures of special revenue funds.

3. Fiduciary Fund Types

a. Pension and Other Employee Benefit Trust Funds – These funds report resources that are required to be held in trust for members and beneficiaries of defined benefit pension plans, defined contribution plans, other post-employment benefit plans, and other employee benefit plans, such as the deferred compensation plan.

b. Investment Trust Fund – This fund reports an investment pool that consolidates monies from municipalities, counties, school districts, and any other public body, corporate or politic.

c. Private Purpose Trust Funds – These funds report all other trust arrangements for which principal and income benefit individuals, private organizations, or other governments.

d. Agency Funds – These funds report resources held by the State in a purely custodial capacity. These funds typically involve only the receipt, temporary investment, and remittance of the resources to external parties.

4. Proprietary Fund Types

Enterprise Funds – These funds may be used to report any activity for which a fee is charged to external users for goods and services. Activities are required to be reported as enterprise funds if laws or regulations require that the activity's costs of providing services be recovered with fees and charges, rather than with taxes on similar revenues.

F. Appropriations and Outstanding Debt

The State Constitution provides that the Legislature may not create a debt (where total outstanding debt would exceed one percent of total appropriations for the year) unless such law has been submitted to the people at a general election and approved by a majority of the legally qualified voters. After approval by the electorate, and prior to any bond sale, the Legislature may make appropriations up to the legally authorized amount of such bonds, which enables the State to enter into contracts with vendors.

G. Assets

1. Cash and Cash Equivalents

Deposits encompass the State's cash on deposit with financial institutions and several cash equivalents, including certificates of deposit. All deposits including cash equivalents that are subject to federal or state depository insurance generally are classified as deposits. Only investments with an original maturity of three months or less are considered to be cash equivalents. See Note 3 for details.

2. Investments

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in obligations of the U.S. Treasury, foreign governments, agencies, municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes and mortgages, certificates of deposit, repurchase agreements, equity and convertible equity securities, and other common types of investment securities.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are reflected as investments in the Balance Sheet of the Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. Other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. See Note 4 for additional details.

3. Securities Lending Collateral

The Pension Trust Funds participate in securities lending programs with their custodian banks, whereby securities are loaned to brokers and, in return, the Pension Trust Funds have rights to the collateral received. All of the securities held in the Common Pension Trust Fund investment pool are eligible for the securities lending program. Collateral received may consist of cash, letters of credit, or government securities having a market value equal to or exceeding 102 percent (U.S. dollar denominated) or 105 percent (non-U.S. dollar denominated) of the value of the loaned securities at the time the loan is made. The contracts with the Common Pension Trust Fund investment pool custodian banks require them to indemnify the investment pool if the brokers fail to return the securities or fail to pay the investment pool for income distributions by the securities' issuers while the securities are on loan. The securities loans can be terminated by notification by either the broker or the investment pool. The term to maturity of the securities loans is generally matched with the term to maturity of the investment of cash collateral. As of June 30, 2007, the Pension Trust Funds have no aggregate credit risk exposure to

brokers because the collateral amount held by the Pension Trust Funds exceeded the market value of the securities on loan. See Note 5 for additional details.

4. Receivables

Receivables in the State's governmental, fiduciary, and proprietary funds, Component Units - Authorities, and Component Units - College and University Funds are stated net of allowances for uncollectable amounts and primarily consist of federal revenues, taxes, loans, interest, contributions due from employers and members to the respective pension funds, mortgages, and other receivables. See Note 6 for details.

5. Capital Assets

Capital assets are tangible and intangible assets that are used in operations and that have initial useful lives that extend beyond a single reporting period. Capital assets are reported in the statement of net assets at cost or historical cost based on appraisals or other acceptable methods when historical cost information is not available. Donated fixed assets are recorded at estimated fair value at the time of donation. The State's capital assets consist of:

a. All land, including parks, forests, easements, and development rights.

b. Infrastructure assets such as roads, bridges, dams, highway lands, and rights-of-way.

c. All general government buildings, including hospitals, care, and correctional facilities.

d. Land improvements, machinery and equipment, software, and motor vehicles used in general operations with a unit cost of at least $25,000, $20,000, $100,000, and $30,000 respectively. For the purpose of reporting, machinery and equipment, and software are consolidated into one category.

e. Capital projects in the process of construction.

To measure depreciation expense, the State used the straight-line method, whereby the historical cost (or other capitalized amount) of depreciable assets, less their estimated salvage values, is allocated in equal annual amounts over the estimated useful lives of the assets. To estimate the useful lives of its capital assets, the State uses guidelines from industry organizations. There is no depreciation recorded for land, construction in progress, and rights-of-way.

Capital leases which are classified as capital assets are recorded in amounts equal to the lesser of the fair value of the asset or the present value of the future net minimum lease payments at the inception of the lease.

The State does not capitalize and depreciate works of art, historical treasures, and similar assets because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Capital assets utilized in the government funds are recorded as expenditures in the governmental fund financial statements.

6. Interfund/Intrafund Transactions

Interfund Transactions - During the course of normal operations, the State has numerous routine transactions between funds, including expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers to/transfers from other funds and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

Intrafund Transactions - Intrafund transactions, as a result of contracts among departments within the same fund, are considered expenditures by the contractor and revenues by the contractee in the fund financial statements.

As a general rule, intrafund revenues and expenditures, interfund transfers, and interfund receivables and payables have been eliminated in the government-wide financial statements. An exception is the net residual amounts due between governmental and business-type activities, which is recorded as internal balances. Receivables from and payables to fiduciary funds are recorded in the statement of net assets as receivable from and payable to external parties.

H. Liabilities

1. Deferred Revenue

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when resources are received by the State before it has a legal claim. In subsequent periods, when the revenue recognition criterion is met, or when the State has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the government-wide level arise only when the State receives resources before it has a legal claim to these resources.

Deferred revenue in the General Fund, at both levels, consists principally of amounts due from the Port Authority of New York and New Jersey.

2. Deferred Compensation

The State offers its employees a deferred compensation plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is administered by the Department of the Treasury, Division of Pensions and Benefits, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death, or an unforeseeable emergency.

Under current Internal Revenue Service regulations, all monies that are deferred and any other assets or income of the Plan shall be held in trust for the exclusive benefit of the participating employees and their beneficiaries. The State has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor.

The State's Employees' Deferred Compensation Plan is reported as a pension (and other employee benefits) trust fund in the fund financial statements. The Plan is fiduciary in nature, and thus is not reported in the government-wide financial statements.

3. Accumulated Unpaid Sick and Vacation Benefits

Cash payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on fifty percent of the employee's sick leave accumulation, at the pay rate in effect at the time of retirement up to a maximum of $15,000. Employees separating from State service prior to retirement are not entitled to payments for accumulated sick leave balances. Cash payments for sick leave at retirement are made from annual legislative appropriations on a "pay-as-you-go" basis. Sick leave accumulations may also be used by an employee for a personal illness or injury as a means of continuing regular pay.

Employees annually earn 12 to 25 vacation days based on years of service and are permitted to carry over those days earned within a one-year period. The liability for accumulated employee sick leave and for accumulated vacation pay is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities if due in more than one year, and as current liabilities-current portion of long-term obligations, if due within a year.

4. Other Long-term Obligations

In addition to accumulated unpaid sick and vacation benefits, other long-term obligations include general obligation bonds, revenue bonds, capital leases, installment obligations, certificates of participation, loans payable, and other liabilities of a long-term nature. The liability for long-term items described above is reflected in the government-wide financial statements and the proprietary fund financial statements as noncurrent liabilities, due in more than one year and as current liabilities-current portion of long-term obligations, if due within a year.

Bond and note premiums and discounts are amortized to interest expense based on the straight-line method. Capital appreciation bonds are reported at its net or accreted value rather than at face value. Bonds and notes payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges in other assets and are amortized over the term of the related debt.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

I. Net Assets

1. Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted - Net assets are reported as restricted when constraints placed on net asset use are either: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of the other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

3. Unrestricted - Unrestricted net assets consist of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

4. Held in Trust for Pension Benefits and Other Purposes – This is used to accumulate all active member, State, and other employer contributions and investment income from which all benefit payments are made; also used to accumulate resources received as a result of trust arrangements or to accumulate resources held for investment.

J. Fund Balances

1. Reserved for Encumbrances - Used to segregate a portion of fund balance to provide for expenditure upon vendor performance of purchase agreements.

2. Reserved for Surplus Revenue – Used to identify that portion of fund balance commonly called the "Rainy Day Fund" which represents excess revenues that have been set aside per P.L. 1990, c.44.

3. Reserved for Other - Used to earmark a portion of the fund balance to indicate it is either a resource currently unavailable for appropriation or expenditure, or a statutory restriction on current fund balance.

4. Unreserved - General Fund, Special Revenue Funds, and Capital Projects Funds - Represents the following:

   a. Unreserved Designated - Continuing Appropriations - Used to represent that portion of fund balance which has been appropriated by the Legislature, as well as those portions of fund balance of non-budgeted governmental funds so designated by management.

   b. Unreserved Designated - Unrealized Gains - Used to represent the portion of fund balance that resulted from the fair value reporting of investments, i.e., the difference between investments reported at fair value and the amortized cost of those investments.

   c. Unreserved Undesignated – Used to represent that portion of fund balance resources available for appropriation.

K. Fiscal Year End Differences

The following component units have fiscal years that ended on December 31, 2006:

Component Units - Authorities

Casino Reinvestment Development Authority
New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises
New Jersey Economic Development Authority
New Jersey Educational Facilities Authority
New Jersey Health Care Facilities Financing Authority
New Jersey Housing and Mortgage Finance Agency
New Jersey Meadowlands Development Commission
New Jersey Redevelopment Authority
New Jersey Sports and Exposition Authority
New Jersey Turnpike Authority
South Jersey Port Corporation
South Jersey Transportation Authority

Special Revenue Funds

New Jersey Building Authority (blended component unit)
New Jersey Schools Construction Corporation (blended component unit)

NOTE 2 - OTHER ACCOUNTING DISCLOSURES

A. Change in Accounting Policy

The State has adopted GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

B. Reclassifications

The implementation of GASB Statement No. 43 resulted in various reclassifications. The Dental State Employees Program Fund (formerly a special revenue fund) and the Dental Local Government Employers Program Fund (formerly a proprietary fund) have been reclassified and combined into an agency fund (fiduciary) entitled the Dental Expense Program. The former special revenue funds, Health Benefits State Employees Program Fund and the Prescription Drug State Employees Program Fund, have been combined and reclassified as a pension and other employee benefits trust fund (fiduciary) entitled the Health Benefits Program Fund State. Finally, the former proprietary funds, Health Benefits Local Government Employers Program Fund and the Prescription Drug Local Government Employers Program Fund, have been combined and reclassified to a pension and other employee benefits trust fund (fiduciary) entitled the Health Benefits Program Fund Local.

As a result of the implementation of GASB Statement No. 43 and the reclassifications from proprietary funds to fiduciary funds, the July 1, 2006 net asset balance for business-type activities has been reduced by $370.5 million from $1,497.8 million to $1,127.3 million. Additionally, the implementation of GASB Statement No. 43 and the reclassification from special revenue funds to fiduciary funds reduced the July 1, 2006 net asset balance for governmental activities by $196.1 million.

C. Restatement of Net Asset Balance

The July 1, 2006 net asset balance for governmental activities was increased by $29.2 million to reflect the addition of intangible assets and revised land and building improvements.

D. Deficit Fund Balances

It is anticipated that bond sales during Fiscal Year 2008 will relieve the current deficit fund balances in the Clean Waters Fund, the Cultural Centers and Historic Preservation Fund, the 2003 Dam, Lake and Stream Project Revolving Loan Fund, the 2003 Dam, Lake, Stream and Flood Control Project Fund, the 1992 Historic Preservation Fund, the 1995 Historic Preservation Fund, the State Land Acquisition and Development Fund, the Stormwater Management and Combined Sewer Overflow Abatement Fund, and the 2003 Water Resources and Wastewater Treatment Trust Fund.

E. Deficit Net Asset Balances

Calendar Year 2008 contribution rates will be increased in order to offset the deficit net asset balance of $30.3 million in the Health Benefits Program Fund State.

F. Joint Ventures

The Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003-1604

Joint ventures are independently constituted entities generally created by two or more governments for a specific purpose such as contracting and maintaining an interstate bridge. Pursuant to current financial reporting standards, the State does not record its equity in joint ventures. The only significant joint venture in which the State of New Jersey participates is the Port Authority of New York and New Jersey. Individually published financial statements may be obtained by writing the Port Authority of New York and New Jersey at the above mentioned address. Other joint ventures are immaterial.

The Port Authority is a municipal corporate instrumentality of the States of New York and New Jersey created by compact between the two states in 1921 with the consent of the Congress of the United States. It is authorized and directed to plan, develop, and operate terminals and other facilities of transportation and commerce, and to advance projects in the general fields of transportation, economic development, and world trade that contribute to promoting and protecting the commerce and economy of the Port District, defined in the compact, which comprises an area of about 1,500 square miles in both states, centering about New York Harbor. The Governor of each State appoints six of the twelve members of the governing Board of Commissioners, subject to confirmation by the respective State Senate. Each Governor has from time to time exercised the statutory power to veto the actions of the commissioners from their state.

The commissioners serve six-year overlapping terms as public officials without compensation. They establish Authority policy, appoint an Executive Director to implement it, and also appoint a General Counsel to act as legal advisor to the Board and to the Executive Director. The Authority undertakes only those projects authorized by the two states.

The compact envisions the Port Authority as being financially self-sustaining and, as such, it must obtain the funds necessary for the construction or acquisition of facilities upon the basis of its own credit, its reserve funds, and its future revenues. The agency has neither the power to pledge the credit of either state or any municipality nor to levy taxes or assessments.

Consolidated financial statements for the Port Authority including the Passenger Facility Charges Program for the fiscal year ended December 31, 2006 disclosed the following (expressed in millions):

Financial Position

	Combined Total
Total Assets	$ 21,760.3
Total Liabilities	14,125.9
Net Assets	$ 7,634.4

Operating Results

Operating Revenues	$ 3,231.0
Operating Expenses	(2,112.6)
Depreciation and Amortization	(724.2)
Net Recoverables (Expenses) Related to the Events of September 11, 2001	(2.1)
Income from Operations	392.1
Non-operating Revenues (Expense), Net	126.5
Net Income	$ 518.6

Changes in Net Assets

Balance January 1, 2006	$ 7,115.8
Net Income	518.6
Balance December 31, 2006	$ 7,634.4

Except for Special Project Bonds, the Authority's debt is secured by its full faith and credit, its reserve funds, or a pledge of future revenues. Special Project Bonds are secured by a mortgage on the financed properties. At December 31, 2006, Port Authority debt consisted of the following (expressed in millions):

Bonds, Notes and Other Obligations

Consolidated Bonds and Notes	$ 9,659.1
Special Project Bonds	1,311.1
Operating Asset Financing	512.6
Capital Asset Financing	921.3
	12,404.1
Less: Unamortized Discount and Premium	(74.3)
Total	$ 12,329.8

G. Other

In accordance with GASB Statement No. 14, *The Financial Reporting Entity*, the debt and assets of the New Jersey Building Authority have been reduced for presentation herein in the amount of $660.3 million, the amount of the present value of future lease payments by the State to the New Jersey Building Authority as of December 31, 2006.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, an additional $483.7 million in federal grant revenues and economic planning, development, and security expenditures has been recorded.

NOTE 3 - CASH AND CASH EQUIVALENTS

All funds maintain their own individual bank account(s) except for the Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds which are in the General Fund bank accounts. The balances of cash for these funds held in the General Fund, after receipt and disbursement transactions, are accounted for and reflected in the respective due from or due to accounts on the balance sheet presented in the fund financial statements.

New Jersey Revised Statutes (52:18-16.1) set the policy that the State Treasurer must follow when depositing State funds and for the collateralization of such funds. The relationship between the face amount of the collateral and the amount of a deposit is not statutory but is stipulated by the State Treasurer. All bank accounts in which the State Treasurer deposits funds must be collateralized. Securities pledged as collateral must consist of obligations of, or be guaranteed by, the United States or the State of New Jersey. Securities are pledged in the State Treasurer's name and held by a custodian bank under a custodian agreement.

Collateral requirements for demand accounts and time accounts for banks having less than $15 million in State deposits per month require 100 percent coverage of the highest daily balance of the preceding month. For banks that have State deposits which total $15 million or more per month, the amount of collateral required is 120 percent of the total average daily balance on deposit in the bank during each calendar quarter of the year. The State Department of the Treasury monitors the level of collateral required to be maintained by the banks.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires that the State disclose bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party. As of June 30, 2007 the State's bank balances amounted to $273.5 million. Of these balances, $97.2 million was exposed to custodial credit risk as uninsured and uncollateralized.

NOTE 4 – INVESTMENTS

Statutes of the State of New Jersey and regulations of the State Investment Council authorize the Division of Investment to invest in domestic and international equities, obligations of the U.S. Treasury, government agencies, corporations, finance companies and banks, international government and agency obligations, Canadian obligations, New Jersey State and Municipal general obligations, public authority revenue obligations, collateralized notes and mortgages, commercial paper, certificates of deposit, repurchase agreements, bankers acceptances, guaranteed income contracts, money market funds, private equities, real estate, other real assets and absolute return strategy funds. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history, and other evaluation factors.

The purchase, sale, receipt of income, and other transactions affecting investments are governed by custodial agreements between the investing funds through the State Treasurer and custodian banks as agents for the funds. State laws and policies set forth the requirements of such agreements and other particulars as to the size of the custodial institution, amount of the portfolio to be covered by the agreements, and other pertinent matters.

Federal securities, including those held as collateral on repurchase agreements, are maintained at Federal Reserve Banks in Philadelphia and New York through the custodian banks, in trust for the State of New Jersey. A significant portion of corporate equity and debt securities are maintained by the Depository Trust Company (DTC) through the custodian banks in trust for the State of New Jersey.

Securities not maintained by the Federal Reserve Banks or DTC are in the name of a designated nominee representing the securities of a particular State fund which establishes the State fund's unconditional right to the securities. The custodian banks, as agents for the State funds, maintain internal accounting records identifying the securities maintained by the Federal Reserve Banks and the DTC as securities owned by or pledged to the State funds.

In addition to the amounts invested directly, most of the funds included herein participate in the State of New Jersey Cash Management Fund wherein amounts also contributed by other units of government are combined into a large scale investment program. The Pension Trust Funds also participate in a Common Pension Trust Fund pool whereby amounts contributed by the various Pension Trust Funds are combined for the purpose of investment. Participation in the Cash Management Fund investment pool and the Common Pension Trust Fund investment pool by State funds is reflected as investments in the Balance Sheets of the respective funds. Amounts contributed to the Cash Management Fund investment pool by local governments and other entities which are not part of the State's reporting entity, are primarily reflected as investments in the Statement of Fiduciary Net Assets, Investment Trust Fund.

Amounts contributed to the Cash Management Fund investment pool are recorded at cost, which approximates fair value. Any differences between cost and fair value for Cash Management Fund pool investments are immaterial. All other investments are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund and the Common Pension Funds. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Casino Control, Casino Revenue, Gubernatorial Elections, Special Transportation, and Property Tax Relief Funds do not maintain separate investment accounts. Since cash transactions are handled by and through the General Fund as described in Note 3, any available cash balances for these funds reside in the General Fund and are combined with other balances for either participation in the State of New Jersey Cash Management Fund or direct investment as part of the General Fund large scale investment program. Except for the Casino Revenue Fund and the Casino Control Fund, investment earnings for these funds accrue to the General Fund.

Approximately $739.4 million of investments represents deposit fund contracts for future installment payments of lottery prizes due beyond one year from the balance sheet date. Lottery prizes are funded by the purchase of deposit fund contracts which, when matured, will provide amounts sufficient for future payment of installment prizes. Purchases of deposit fund contracts are recorded as an expenditure in the State Lottery Fund in the year of purchase. Annuity contracts are carried at their current contract values which are based upon their original purchase price adjusted for credited interest and amounts already received. The estimated fair value of annuity contracts approximates the carrying value reflected in the balance sheet. In the event of default in making future payments by the insurance company from which the contracts were purchased, the State Lottery Commission would be liable for such future payments.

Investments for all funds are as follows (expressed in millions):

	Amount Reported As Investments
Domestic fixed income securities	$ 40,425.6
Domestic equities	33,030.3
International equities	17,330.8
Absolute return strategy funds	2,340.5
Private equities	1,159.9
Mortgages	1,109.6
International fixed income securities	1,031.2
Real estate	1,003.9
Annuity contracts	739.4
Domestic floating rate securities	502.4
Miscellaneous	0.4
Total investments	98,674.0
Unallocated administrative expenses and transaction exchanges	33.7
Net amount recorded as investments	$ 98,707.7

As Reported on the Government-wide Statement of Net Assets and Statement of Fiduciary Net Assets:

	Current Investments	Non-Current Investments	Total
Governmental activities	$ 8,858.7	$ --	$ 8,858.7
Business-type activities	302.1	593.2	895.3
Fiduciary funds	88,953.7	--	88,953.7
Total	$ 98,114.5	$ 593.2	$ 98,707.7

The State's investments are subject to various risks. Among these risks are credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's), Standard & Poor's Corporation (S&P), or Fitch Ratings (Fitch). Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. There are no restrictions in the amount that can be invested in United States Treasury and government agency securities. State regulations require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. The following limits were in place from July 1, 2006 through September 4, 2006.

Category	Minimum Rating Moody's	Minimum Rating S&P	Limitation of Issuers' Outstanding Debt	Limitation of Issue	Other Limitations
Corporate obligations	Ba	BBB	25%	25%	-
U.S. finance company debt, bank debentures, and N.J. State and municipal debt	A	A	10%	10%	-
Canadian obligations	A	A	10%	10%	Purchase cannot exceed $10 million
International government and agency obligations	Aa	AA	2%	10%	Not more than 1% of fund assets can be invested in any one issuer
Public Authority revenue obligations	A	A	-	10%	Not more than 2% of fund assets can be invested in any one issuer
Collateralized notes and mortgages	Baa	BBB	-	33%	Not more than 2% of fund assets can be invested in any one issuer
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances (rating applies to international)	Aa/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuer's primary capital
Guaranteed income contracts	P-1	-	-	-	A+ rating from A.M. Best for insurance companies
Money market funds	-	-	-	-	Not more than 10% of fund assets can be invested; limited to 5% of shares or units outstanding

In addition, the State sets individual issuer limits for commercial paper and certificates of deposit.

As of September 5, 2006 the following limits became effective:

Category	Minimum Rating			Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
U.S. finance company debt and bank debentures	Baa3	BBB-	BBB-	10%	25%	Not more than 5% of fund assets can be invested in one corporation
International corporate obligations	Baa3	BBB-	BBB-	10%	25%	Limited to not more than 5% of fund assets in any one issuer; not more than 10% of fund assets can be invested in this category
International government and agency obligations	Aa3	AA-	AA-	25%	Greater of 25% or $10 million	Not more than 1% of fund assets can be invested in one issuer
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Not more than 5% of fund assets can be invested in one issuer
Commercial paper	P-1	A-1	F1	-	-	-
Certificates of deposit and bankers acceptances:						Certificates of deposit and bankers acceptances cannot exceed 10% of issuer's primary capital
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Guaranteed income contracts	A3	A-	A-	-	-	-
Money market funds	-	-	-	-	-	Limited to 10% of the assets of the fund
Interest rate swap transactions	A3	A-	A-	-	-	Notional value of net exposure to any one counterparty shall not exceed 10% of fund assets
Repurchase agreements	Aa3	AA-	AA-	-	-	-
New Jersey state and municipal obligations	A3	A-	A-	10%	10%	Limit of 10% of fund assets can be invested in debt of any one entity
Public Authority revenue obligations	A3	A-	A-	-	10%	Limit of 2% of fund assets in any one authority
Mortgage backed passthrough securities	A3	A-	A-	-	-	Limit of 5% of fund assets in any one issue
Mortgage backed senior debt securities	-	-	-	-	25%	Limit of 5% of fund assets in any one issue

In addition, the State sets individual issuer limits for commercial paper and certificates of deposit.

For securities exposed to credit risk in the fixed income portfolio, the following table discloses aggregate fair value, by major credit quality rating category at June 30, 2007 (expressed in millions):

	Moody's Rating					
	Aaa	Aa	A	Baa	Ba	P-1
United States Treasury bills	$ 6,222.9	$ -	$ -	$ -	$ -	$ -
United States Treasury notes	2,501.4	0.6	62.2	-	-	-
United States Treasury TIPS	1,875.1	-	-	-	-	-
United States Treasury bonds	5,187.5	-	-	-	-	-
United States Treasury strips	39.6	-	-	-	-	-
Title XI merchant marine notes	2.8	-	-	-	-	-
Federal agricultural mortgage corporation notes	95.3	-	-	-	-	-
Federal farm credit bank bonds	51.0	-	-	-	-	-
Federal home loan bank bonds	289.2	-	-	-	-	-
Federal home loan bank discounted notes	96.3	-	-	-	-	-
Federal home loan mortgage corporation notes	1,612.9	-	-	-	-	-
Federal national mortgage association notes	840.4	-	-	-	-	-
Resolution funding corporation obligations	6.5	-	-	-	-	-
Tennessee Valley Authority strips	72.6	-	-	-	-	-
Floating rate notes	10.0	20.0	-	-	-	-
Corporate obligations	442.4	888.7	2,318.8	2,049.9	0.2	-
International corporate obligations	-	-	47.9	35.3	-	-
Real estate investment trust obligations	-	-	-	34.0	-	-
Finance company debt	324.0	356.9	577.3	9.2	-	-
International bonds and notes	405.0	64.6	48.2	-	-	-
Foreign government obligations	302.9	127.3	-	-	-	-
Remic/FHLMC	952.8	-	-	-	-	-
Remic/FNMA	66.5	-	-	-	-	-
Remic/GNMA	18.0	-	-	-	-	-
GNMA mortgage backed certificates	64.2	-	-	-	-	-
FHLM mortgage backed certificates	996.3	-	-	-	-	-
FNMA mortgage backed certificates	839.5	-	-	-	-	-
SBA passthrough certificated	9.7	-	-	-	-	-
Asset backed obligations	310.6	-	-	-	-	-
Private export obligations	56.8	-	-	-	-	-
Exchange traded securities	-	-	52.3	-	-	-
Commercial paper-interest	-	-	-	-	-	422.5
Commercial paper-discount	-	-	-	-	-	3,221.6
Certificates of deposit	-	-	-	-	-	7,373.0
Other	3.3	0.3	0.6	2.5	-	0.1
	$ 23,695.5	$ 1,458.4	$ 3,107.3	$ 2,130.9	$ 0.2	$ 11,017.2

The table does not include certain corporate obligations which do not have a Moody's rating totaling $25.3 million with S&P rating of A. The Police and Firemen's Mortgages of $1,109.6 million, other securities of $17.8 million, corporate bonds of $4.0 million, and finance company debt of $0.2 million are unrated.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State regulations provide limitations in the amounts that can be invested in fixed income securities maturing more than 12 months from date of purchase for finance company debt and New Jersey state and municipal general obligations. Maturities of corporate obligations, finance company debt, and bank debentures must be less than 25 months. Commercial paper must mature within 270 days.

Certificates of deposits and bankers acceptances are limited to a term of one year or less. The maturity of repurchase agreements was 15 days through September 4, 2006. This was revised to 30 days effective September 5, 2006. The investment in a guaranteed income contracts and funding agreements is limited to a term of ten years or less.

The following table summarizes the maturities of the fixed income portfolio at June 30, 2007 (expressed in millions):

		Maturities in Years			
	Total Fair Value	Less than 1	1-5	6-10	More than 10
United States Treasury bills	$ 6,222.9	$ 6,222.9	$ -	$ -	$ -
United States Treasury notes	2,564.2	456.7	640.4	1,463.6	3.5
United States Treasury TIPS	1,875.1	-	185.2	762.1	927.8
United States Treasury bonds	5,187.5	-	-	86.2	5,101.3
United States Treasury strips	39.6	-	-	-	39.6
Title XI merchant marine notes	2.8	-	-	-	2.8
Federal agricultural mortgage corporation notes	95.3	-	95.3	-	-
Federal farm credit bank bonds	51.0	20.1	30.7	0.2	-
Federal home loan bank bonds	289.2	18.1	250.2	20.9	-
Federal home loan bank discounted notes	96.3	-	-	-	96.3
Federal home loan mortgage corporation notes	1,612.9	1,476.3	125.3	3.5	7.8
Federal national mortgage association notes	840.4	743.4	96.4	-	0.6
Resolution funding corporation obligations	6.5	-	-	-	6.5
Tennessee Valley Authority strips	72.6	-	-	-	72.6
Floating rate notes	30.0	-	20.0	10.0	-
Corporate obligations	5,729.3	426.4	902.9	997.4	3,402.6
International corporate obligations	83.2	-	-	-	83.2
Real estate investment trust obligations	34.0	-	19.5	14.5	-
Finance company debt	1,267.6	228.1	552.7	243.8	243.0
International bonds and notes	517.8	69.4	128.5	110.6	209.3
Foreign government obligations	430.2	99.0	244.3	68.0	18.9
Remic/FHLMC	952.8	-	-	39.9	912.9
Remic/FNMA	66.5	-	-	18.0	48.5
Remic/GNMA	18.0	-	-	-	18.0
Police and firemen's mortgages	1,109.6	0.4	0.9	9.3	1,099.0
GNMA mortgage backed certificates	64.2	0.1	-	-	64.1
FHLM mortgage backed certificates	996.3	0.1	46.7	4.9	944.6
FNMA mortgage backed	839.5	0.2	5.3	16.1	817.9
SBA passthrough certificicates	9.7	-	-	9.7	-
Asset backed obligations	310.6	-	60.0	60.0	190.6
Private export obligations	56.8	-	32.5	24.3	-
Commercial paper-interest	422.5	422.5	-	-	-
Commercial paper-discount	3,221.6	3,221.6	-	-	-
Certificates of deposit	7,373.0	7,373.0	-	-	-
Other	24.6	18.1	4.4	0.7	1.4
	$ 42,514.1	$ 20,796.4	$ 3,441.2	$ 3,963.7	$ 14,312.8

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As mentioned previously, the State's Pension Trust Funds participate in the Common Pension Trust Fund pool. The Common Pension Fund D account within this investment pool reflects the State's investments in global markets. The fair value of international preferred and common stocks and issues convertible into common stocks, when combined with the fair value of international government and agency obligations, could not exceed 22 percent of the fair value of the Common Pension Fund D account. Effective September 5, 2006, the market value of emerging market securities cannot exceed more than 1.5 times the percentage derived by dividing the total market capitalization of the companies included in the MSCI All-Country World Ex-United States Index by the total market value of the assets held by Common Pension Fund D account. Prior to September 5, 2006, not more than 5 percent of the value of the assets held by Common Pension Fund D account could be invested in companies incorporated in emerging market countries. Not more than 5 percent of the market value of the emerging market securities can be invested in any one corporation. State regulations permit entering into foreign exchange contracts for the purpose of hedging the international portfolio. The State held no forward contracts at June 30, 2007. At June 30, 2007, the State had the following foreign currency exposure based on exchange rates in effect for such day (expressed in millions of U.S. dollars):

Currency	Equities	Government Obligations	Alternative Investments	Total Fair Value
Australian dollar	$ 472.8	$ -	$ -	$ 472.8
Canadian dollar	700.1	-	-	700.1
Danish krone	236.9	-	-	236.9
Euro dollar	5,467.0	278.7	32.1	5,777.8
Hong Kong dollar	187.3	-	-	187.3
Japanese yen	4,377.7	-	-	4,377.7
Mexican peso	74.7	-	-	74.7
New Zealand dollar	26.5	-	-	26.5
Norwegian krone	426.1	-	-	426.1
Pound sterling	2,051.0	-	26.0	2,077.0
Singapore dollar	151.7	-	-	151.7
South Korean won	175.8	-	-	175.8
Swedish krona	897.7	-	-	897.7
Swiss franc	1,702.6	-	-	1,702.6
	$ 16,947.9	$ 278.7	$ 58.1	$ 17,284.7

The State's interests in alternative investments may contain elements of credit, currency, and market risk. Such risks include, but are not limited to, limited liquidity, absence of regulatory oversight, dependence upon key individuals, emphasis on speculative investments (both derivatives and non-marketable investments), and nondisclosure of portfolio composition. State regulations require that not more than 18 percent of the market value of the Pension Fund can be invested in alternative investments, with the individual categories of real estate, real assets, private equities, and absolute return strategy investments limited to 7 percent. The Common Pension Fund E account within the Common Pension Trust Fund pool reflects the State's alternative investments. Not more that 5 percent of the market value of Common Pension Fund E may be committed to any one partnership or investment, without the prior written approval of the State Investment Council. The investments in Common Pension Fund E cannot comprise more than 20 percent of any one investment manager's total assets.

NOTE 5 - SECURITIES LENDING COLLATERAL

The securities lending collateral is subject to various risks. Among these risks are credit risk, concentration of credit risk, and interest rate risk. Agreements with the lending agents require minimum credit ratings for certain categories of fixed income obligations and limit the amount that can be invested in any one issuer or issue. The following limits were in place from July 1, 2006 through September 4, 2006.

Category	Minimum Rating		Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P			
Corporate obligations	A3	A-	25%	25%	-
U.S. finance company debt and bank debentures	A2	A	10%	10%	-
Collateralized notes and mortgages	Aaa	AAA	-	33%	Limited to not more than 10% of the assets of the collateral portfolio
Commercial paper	P-1	A-1	-	-	-
Certificates of deposit and bankers acceptances	Aa3/P-1	-	-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Guaranteed income contracts	P-1	-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

As of September 5, 2006 the following limits became effective:

Category	Minimum Rating			Limitation of Issuers Outstanding Debt	Limitation of Issue	Other Limitations
	Moody's	S&P	Fitch			
Corporate obligations	Baa3	BBB-	BBB-	10%	25%	-
U.S. finance company debt and bank debentures	Baa3	BBB-	BBB-	10%	25%	-
Collateralized notes and mortgages	Baa3	BBB-	BBB-	-	25%	Limited to not more than 10% of the assets of the collateral portfolio
Commercial paper	P-1	A-1	F1	-	-	-
Certificates of deposit and bankers acceptances:				-	-	Uncollateralized certificates of deposit and bankers acceptances cannot exceed 10% of issuers primary capital
Domestic	A3/P-1	A-/A-1	A-/F1	-	-	
International	Aa3/P-1	AA-/A-1	AA-/F1	-	-	
Guaranteed income contracts	A3	A-	A-	-	-	Limited to 5% of the assets of the collateral portfolio
Money market funds	-	-	-	-	-	Limited to 10% of the assets of the collateral portfolio

Maturities of corporate obligations, U.S. finance company debt, bank debentures, collateralized notes and mortgages, and guaranteed income contracts must be less than 25 months. Commercial paper maturities cannot exceed 270 days. Repurchase agreement maturities cannot exceed 30 days. Certificates of deposit and bankers acceptances must mature in one year or less.

The collateral for repurchase agreements is limited to obligations of the U.S. Government or certain U.S. Government agencies, collaterized notes and mortgages, and corporate obligations meeting certain minimum rating criteria.

Total exposure to any individual issuer is limited, except for U.S. Treasury and Government Agency Obligations. For money market funds, the total amount of shares or units purchased or acquired of any money market fund shall not exceed five percent of the shares or units outstanding of said money market fund. For Collateralized Notes and Mortgages, not more than two percent of the assets of the collateral portfolio shall be invested in the obligations of any one issuer. For Guaranteed Income Contracts, and funding agreements, the total investment in any one issuer shall be limited to 2.5 percent of the collateral portfolio. The State sets individual issuer limits for Commercial Paper and Certificates of Deposit. For Corporate Obligations, U.S. Finance Company Debt, Bank Debentures and Bankers Acceptances, exposure to any one issuer shall be limited to the following percentages of the collateral portfolio in accordance with the issuer's rating from Moody's: Aaa (4 percent), Aa (3 percent), A (2 percent), and Baa (1 percent).

For securities exposed to credit risk in the collateral portfolio, the following table disclosures aggregate market value, by major credit quality rating category at June 30, 2007 (expressed in millions):

	Moody's Rating					
	Aaa	Aa	A	Baa/BBB	P-1	Not rated
Corporate obligations	$ 1,142.6	$ 3,209.6	$ 2,712.4	$ 217.5	$ 713.3	$ -
Commercial paper	-	-	-	-	3,594.0	-
Certificates of deposit	-	99.9	-	-	1,032.6	-
Repurchase agreements	-	-	-	-	-	1,765.8
Funding agreements	-	-	-	-	700.0	-
Money market funds	10.8	1,730.0	500.0	-	-	285.4
Collateralized notes	150.2	5.0	-	-	618.9	-
Cash	-	-	-	-	-	0.1
	$ 1,303.6	$ 5,044.5	$ 3,212.4	$ 217.5	$ 6,658.8	$ 2,051.3

The following table summarizes the maturities of the collateral portfolio at June 30, 2007 (expressed in millions):

		Maturities	
	Total Market Value	Less than One Year	One year to 25 Months
Corporate obligations	$ 7,995.4	$ 4,155.0	$ 3,840.4
Commercial paper	3,594.0	3,594.0	-
Certificates of deposit	1,132.6	1,132.6	-
Repurchase agreements	1,765.8	1,765.8	-
Guaranteed investment contracts	700.0	700.0	-
Money market funds	2,526.1	2,526.1	-
Collateralized notes	774.2	769.2	5.0
	$ 18,488.1	$ 14,642.7	$ 3,845.4

As of June 30, 2007, the Pension Funds had received cash collateral of $18.5 billion and non-cash collateral of $4.4 million for outstanding loaned investment securities having market values of $18.0 billion.

NOTE 6 - RECEIVABLES

Fiduciary funds' receivables are not disclosed in the statement of net assets. However, these receivables are disclosed in the fund financial statements and consist primarily of amounts due from employers and employees and accrued earnings on investments. Receivables presented in the statement of net assets are described below.

A. Federal

Federal government grant awards are established against State appropriations. Most Federal government receivables are comprised of amounts expended against grant awards, the expenditure of which is the basis of reimbursement. Since all amounts due from the Federal government are considered to be collectible, no allowance has been established for doubtful collections. Also see Note 20 - Contingent Liabilities.

These Federal receivables are reported in conformance with generally accepted accounting principles as defined in Statement No. 2 - *Grant, Entitlement and Shared Revenue Accounting and Reporting by State and Local Governments* published by the National Council on Governmental Accounting. Inasmuch as encumbrances do not constitute expenditures, and since recognition of grants and entitlements as revenue is primarily based on expenditures, there is an additional $2.8 billion of Federal government awards consisting of encumbrances and appropriation balances which are considered unearned and unrecorded as of June 30, 2007.

Federal receivable balances in the Unemployment Compensation Fund ($735.0 million) represent unemployment contributions transferred to the Federal Reserve Bank for deposit in the Federal Unemployment Trust Fund. All monies are invested by the Federal Government and interest earnings are credited to the Unemployment Compensation Fund.

B. Departmental

Departmental accounts receivable of $3.4 billion include amounts which were substantially collected within the one month period subsequent to June 30 and include most major tax revenues. Amounts included in these receivables but not collected within the one month period subsequent to June 30 are deemed to be collectible, and are reflected net of allowances ($333.4 million).

C. Loans

Loans receivable of $1.2 billion are reduced by allowances of $14.5 million and include $1.1 billion due from local units of government and other recipients for environmental projects, $44.4 million loaned for economic development within local units of government, and $12.0 million loaned for housing and mortgage assistance.

D. Other

Other receivables totaling $1.6 billion are reduced by allowances of $684.8 million and include tax receivables due of $367.8 million, $205.4 million due from the Port Authority of New York and New Jersey, $142.6 million due from tobacco companies, and $101.7 million due from proceeds of Motor Vehicle Commission bonds which are held by the trustee.

NOTE 7 - CAPITAL ASSETS

A summary of capital assets and related accumulated depreciation by category as of June 30, 2007 is as follows (expressed in millions):

	Balance July 1, 2006*	Additions	Retirements	Balance June 30, 2007
Capital assets, not being depreciated:				
Land and easements	$ 4,061.5	$ 164.4	$ 41.9	$ 4,184.0
Construction in progress**	2,340.1	1,138.8	0.1	3,478.8
Capital assets, being depreciated:				
Land improvements	201.8	--	0.6	201.2
Buildings and improvements	2,786.8	--	19.3	2,767.5
Machinery and equipment***	345.5	31.5	6.1	370.9
Infrastructure	14,245.7	270.3	0.4	14,515.6
Total at historical cost	23,981.4	1,605.0	68.4	25,518.0
Less accumulated depreciation:				
Land improvements	61.0	6.5	--	67.5
Buildings and improvements	1,434.6	105.3	17.5	1,522.4
Machinery and equipment	209.7	49.8	4.0	255.5
Infrastructure	5,425.2	374.6	--	5,799.8
Total accumulated depreciation	7,130.5	536.2	21.5	7,645.2
Governmental activities capital assets, net	$ 16,850.9	$ 1,068.8	$ 46.9	$ 17,872.8

* The July 1, 2006 balance has been restated by a net $29.2 million to reflect the addition of intangible assets and revised land and building improvements.

** Construction in progress includes infrastructure projects and software in development.

*** Machinery and equipment includes purchased and/or internally developed software applications. New Jersey began capitalizing software prospectively in FY 2006.

A. Items Not Capitalized and Depreciated

The State possesses certain capital assets that have not been capitalized and depreciated because the assets cannot be reasonably valued and/or the assets have inexhaustible useful lives. Examples of these assets include, but are not limited to statues, monuments, forts, lighthouses, and various capitol related furnishings. Collections, such as historical documents, artifacts, works of art, rare library books, and antique furnishings are not capitalized. These assets are exempted from capitalization as the State maintains the collections for reasons other than financial gain; the collections are protected, kept unencumbered, cared for and preserved; and the collections are subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

B. Depreciation and Useful Lives

Capital assets are depreciated using the straight line method. The State assigned useful lives that were most suitable for the particular assets. Estimated useful lives were in an allowable range as follows:

Asset	Years
Land improvements	10-50
Building and improvements	12-60
Machinery and equipment	4-30
Infrastructure	4-70

Depreciation was charged to functions of the primary government as follows (expressed in millions):

	Amount
Public safety and criminal justice	$ 61.5
Physical and mental health	9.4
Educational, cultural, and intellectual development	12.8
Community development and environmental management	13.2
Economic planning, development, and security	10.7
Transportation programs	396.2
Government direction, management, and control	27.6
Special government services	4.8
	$ 536.2

NOTE 8 - INTERFUND TRANSACTIONS

During the course of normal operations, the State has numerous routine transactions between funds, including interfund loans, expenditures, and transfers of resources to provide administrative services, program services, debt service, and compliance with legal mandates, such as legislation requiring the transfer of investment earnings from a capital project fund to the General Fund. In the fund financial statements, these transactions generally are recorded as transfers in/transfers (out) and due to/due from other funds. Operating transfers represent legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended and do not represent reimbursement of expenses.

A. Due From/Due To Other Funds

The balances of current interfund receivables and payables at June 30, 2007 are presented below (expressed in millions):

	General Fund	Property Tax Relief Fund	Non-Major Governmental Funds	State Lottery Fund	Unemployment Compensation Fund	Fiduciary Funds	Total
Due from:							
General Fund	$ --	$ 974.9	$ 126.9	$ --	$ --	$ 74.0	$ 1,175.8
Property Tax Relief Fund	683.0	--	6.4	--	18.4	--	707.8
Non-Major Governmental Funds	743.7	2.1	242.8	--	--	--	988.6
State Lottery Fund	92.3	--	--	--	--	--	92.3
Unemployment Compensation Fund	6.7	2.0	24.3	--	--	--	33.0
Fiduciary Funds	13.6	8.4	--	--	--	1.8	23.8
Total Due from	$ 1,539.3	$ 987.4	$ 400.4	$ --	$ 18.4	$ 75.8	$ 3,021.3
Due to:							
General Fund	$ --	$ 683.0	$ 743.7	$ 92.3	$ 6.7	$ 13.6	$ 1,539.3
Property Tax Relief Fund	974.9	--	2.1	--	2.0	8.4	987.4
Non-Major Governmental Funds	126.9	6.4	242.8	--	24.3	--	400.4
State Lottery Fund	--	--	--	--	--	--	--
Unemployment Compensation Fund	--	18.4	--	--	--	--	18.4
Fiduciary Funds	74.0	--	--	--	--	1.8	75.8
Total Due to	$ 1,175.8	$ 707.8	$ 988.6	$ 92.3	$ 33.0	$ 23.8	$ 3,021.3

B. Transfer In/(Out)

Interfund transfers for the fiscal year ended June 30, 2007 are presented below (expressed in millions):

	General Fund	Non-Major Governmental Funds	State Lottery Fund	Unemployment Compensation Fund	Total
Transfers (out) to:					
General Fund	$ --	$ (1,062.9)	$ (856.6)	$ (31.9)	$ (1,951.4)
Non-Major Governmental Funds	(1,778.7)	(1,525.4)	--	--	(3,304.1)
State Lottery Fund	--	--	--	--	--
Unemployment Compensation Fund	--	(5.3)	--	--	(5.3)
Total Transfers (Out)	$ (1,778.7)	$ (2,593.6)	$ (856.6)	$ (31.9)	$ (5,260.8)
Transfers in from:					
General Fund	$ --	$ 1,778.7	$ --	$ --	$ 1,778.7
Non-Major Governmental Funds	1,062.9	1,525.4	--	5.3	2,593.6
State Lottery Fund	856.6	--	--	--	856.6
Unemployment Compensation Fund	31.9	--	--	--	31.9
Total Transfers In	$ 1,951.4	$ 3,304.1	$ --	$ 5.3	$ 5,260.8
Net Transfers	$ 172.7	$ 710.5	$ (856.6)	$ (26.6)	$ --

NOTE 9 - SHORT-TERM DEBT

Tax and Revenue Anticipation Notes

The State issues short-term debt instruments in the form of tax and revenue anticipation notes in advance of income tax and corporation business tax collections, depositing the proceeds in the General Fund. These notes are used to provide effective cash management to fund the imbalances that occur between the collection of revenues and the disbursement of appropriations of the General Fund and Property Tax Relief Fund. The $1.75 billion of borrowings was repaid in full prior to the end of the fiscal year. Short term debt activity for the year ended June 30, 2007 was as follows (expressed in millions):

	Outstanding July 1, 2006	Issued	Redeemed	Outstanding June 30, 2007
Tax and Revenue Anticipation Notes	$ --	$ 1,750.0	$ (1,750.0)	$ --

NOTE 10 – LONG-TERM OBLIGATIONS

The State's long-term debt is divided into bonded and non-bonded categories. Bonded categories include General Obligation Bonds, Revenue Bonds Payable, certain Capital Leases, Installment Obligations, Certificates of Participation, Unamortized Premium, Tobacco Settlement Financing Corporation, Inc. Bonds ("TSFC"), Unamortized Deferral on Refunding, and Unamortized Interest on Capital Appreciation Bonds. Non-bonded categories include Accumulated Sick and Vacation Payable, certain Capital Leases, Loans Payable, Net Pension Obligation, Other, and Deposit Fund Contracts.

A. Changes in Long-term Debt

The following schedule represents the changes in the State's long-term debt (expressed in millions):

	Outstanding July 1, 2006	Additions	Deductions	Outstanding June 30, 2007	Amounts Due Within One Year
Governmental Activities					
Bonded Debt					
General Obligation Bonds	$ 3,132.8	--	$ 268.1	$ 2,864.7	$ 282.5
Revenue Bonds Payable	12,976.0	48.7	285.1	12,739.6	302.2
Capital Leases	308.6	--	10.8	297.8	11.2
Installment Obligations	16,896.0	773.5	484.3	17,185.2	498.9
Certificates of Participation	60.5	30.1	31.8	58.8	25.1
Unamortized Premium	1,500.9	7.1	110.6	1,397.4	--
Tobacco Settlement Financing Corporation	3,248.6	4,686.9	3,291.8	4,643.7	9.1
Unamortized Deferral on Refunding	(604.5)	(380.9)	(61.2)	(924.2)	--
Unamortized Interest on Capital Appreciation Bonds	(5,673.5)	(1,094.8)	(245.7)	(6,522.6)	--
Non-Bonded Debt					
Accumulated Sick and Vacation Payable	518.5	314.8	254.8	578.5	314.8
Capital Leases	430.7	8.0	53.8	384.9	53.0
Loans Payable	1,279.4	--	--	1,279.4	--
Net Pension Obligation	2,953.9	807.4	--	3,761.3	--
Other	417.7	397.6	417.7	397.6	397.6
Subtotal Governmental Activities	37,445.6	5,598.4	4,901.9	38,142.1	1,894.4
Business-type Activities					
Accumulated Sick and Vacation Payable	1.0	0.6	0.5	1.1	0.6
Deposit Fund Contracts	798.8	81.1	140.5	739.4	146.1
Subtotal Business-type Activities	799.8	81.7	141.0	740.5	146.7
Total Governmental and Business-type	$ 38,245.4	$ 5,680.1	$ 5,042.9	$ 38,882.6	$ 2,041.1

B. Debt Service Payments

The following schedule represents debt service payments for the next five fiscal years and thereafter (expressed in millions):

	Debt Service						
Fiscal Year	General Obligation Bonds	Revenue Bonds	Capital Leases	Installment Obligations	Certificates of Participation	TSFC *	Total
2008	$ 439.8	$ 749.3	$ 117.6	$ 1,108.0	$ 27.5	$ 172.5	$ 2,614.7
2009	411.0	749.9	117.2	1,117.4	20.7	184.9	2,601.1
2010	389.1	789.7	106.4	1,127.4	10.1	190.7	2,613.4
2011	373.0	808.5	95.8	1,134.9	2.4	193.0	2,607.6
2012	358.5	787.8	86.6	1,110.4	1.1	195.2	2,539.6
2013-2017	1,280.4	3,920.3	247.3	5,711.5	2.3	1,009.3	12,171.1
2018-2022	488.3	3,968.4	148.0	5,958.7	--	1,079.7	11,643.1
2023-2027	32.1	2,388.6	116.4	5,468.5	--	1,083.3	9,088.9
2028-2032	--	1,637.8	36.2	2,787.1	--	1,086.7	5,547.8
2033-2037	--	1,441.8	6.5	422.5	--	1,090.7	2,961.5
2038-2042	--	--	--	--	--	2,154.1	2,154.1
Total Minimum Payments	3,772.2	17,242.1	1,078.0	25,946.4	64.1	8,440.1	56,542.9
Interest	(907.5)	(4,502.5)	(395.3)	(8,761.2)	(5.3)	(3,796.4)	(18,368.2)
Principal	2,864.7	12,739.6	682.7	17,185.2	58.8	4,643.7	38,174.7
Unamortized Premium	152.7	813.0	--	431.7	--		1,397.4
Unamortized Deferral on Refunding	(84.6)	(344.3)	--	(117.0)	--	(378.3)	(924.2)
Unamortized Interest on Capital Appreciation Bonds	(3.5)	(2,728.1)	--	(2,700.6)	--	(1,090.4)	(6,522.6)
Total	$ 2,929.3	$ 10,480.2	$ 682.7	$ 14,799.3	$ 58.8	$ 3,175.0	$ 32,125.3

***** The State is not liable for debt issued by the TSFC.

C. General Obligation Bonds

The State is empowered by voters to authorize, issue, and incur debt subject to certain constitutional restrictions. General obligation bond acts are both legislatively and voter-approved and are backed by the State's full faith and credit. As of June 30, 2007 the State had $2.9 billion of State general obligation bonds outstanding with another $742.4 million of bonding authorization remaining from various State general obligation bond acts. The amount provided by the State's General Fund for debt service payments for Fiscal Year 2007 was $427.8 million.

The State has refunded various outstanding general obligation bonds. Refunding bond proceeds are used to purchase and deposit United States Treasury Obligations – State and Local Government Series or open market U.S. Treasury Securities into a separate irrevocable trust fund held by a trustee. The investments and the fixed earnings that accrue are sufficient to fully service the defeased debt until it is called or matures. For financial reporting purposes, the refunded debt is considered defeased at the time the refunding bonds have been issued. Therefore, the refunded debt is removed as a liability from the State's long-term obligations.

During Fiscal Year 2007, the State did not refund any general obligation debt. As of June 30, 2007, the amount of defeased general obligation debt outstanding, but removed from the State's long-term obligations amounted to $943.7 million.

D. Revenue Bonds Payable

This debt classification represents bond issuances whose segment of debt service is derived solely from legally restricted revenues. Revenue bonds include debt issued by the New Jersey Building Authority, the Garden State Preservation Trust, and the New Jersey Transportation Trust Fund Authority. During Fiscal Year 2007, these three Authorities issued $48.7 million of bonds, none of which were refunding bonds. As of June 30, 2007, the State had $12.7 billion of revenue bonds outstanding. Another $7.1 billion of bonding authorization remains.

E. Capital Leases (Bonded)

Capital Leases represent long-term contractual debt obligations that the State has with various State authorities, for the purpose of utilizing office space for State operations and program usage. This includes the design, acquisition, and construction or renovation of facilities such as the Trenton Office Complex and Greystone Psychiatric Hospital.

F. Installment Obligations

Installment obligations represent agreements between the State and several authorities which have issued bonds for the purpose of purchasing or constructing facilities to be rented by the State or to provide financing for other State projects. The State agrees to make payments equal to the corresponding authority's debt service, subject to and dependent upon appropriations being made from time to time by the State Legislature. At the conclusion of the term of the installment obligation agreement, title to the various facilities is transferred to the State. During Fiscal Year 2007, these authorities issued $773.5 million of bonds, of which, $107.6 million were refunding bonds. As a result, $102.1 million of bonds have been refunded and are now considered to be defeased. The liability has been removed from the State's long-term obligations. Total debt service payments over the next 18 years were reduced by $3.9 million and resulted in a net present value savings of $2.9 million. The State's installment obligations outstanding as of June 30, 2007 total $17.2 billion. Total authorized but unissued installment obligations equal $3.0 billion as of June 30, 2007.

G. Certificates of Participation

These obligations represent several Lines of Credit that were drawn on to finance State equipment needs through the State's Master Lease Program.

H. Unamortized Premium

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments,* requires bond premiums to be deferred and amortized over the life of the refunding bonds.

I. Tobacco Settlement Financing Corporation, Inc. (TSFC)

In November, 1998 the State entered into a Master Settlement Agreement with participating cigarette manufacturers, 46 states, and six other United States jurisdictions in the settlement of certain smoking-related litigation. During Fiscal Year 2003, the State sold to the newly established TSFC, the State's right, title, and beneficial ownership interest in the State's right to receive tobacco settlement rights under the Master Settlement Agreement and decree of Final Judgment. In return, the TSFC issued $3.46 billion of bonds to pay for the tobacco settlement rights. Proceeds of the two bond issuances were used to fund General Fund expenditures during Fiscal Year 2003 and Fiscal Year 2004. During Fiscal Year 2007, $4.7 billion of refunding bonds were issued, of which $1.1 billion were capital appreciation bonds. As a result, $3.4 billion of bonds have been refunded and are now considered to be defeased. The liability has been removed from the State's long-term obligations. Total debt service payments over the next 23 years were reduced by $950.2 million and resulted in a net present value savings of $25.6 million.

During Fiscal Year 2003, the TSFC was presented as a discreet component unit of the State. Since then, the State adopted GASB Technical Bulletin No. 2004-1, *Tobacco Settlement Recognition and Financial Reporting Issues*. As a result, the TSFC is required to be shown as a blended component unit of the State. Bonds issued by the TSFC are the sole obligation of the TSFC. The State is not liable for any debt issued by the TSFC nor is the debt dependent on any dedicated stream of revenue generated by the State.

J. Unamortized Deferral on Refunding

Under GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, unamortized deferral on refunding shows the actual gain or loss on refunding transactions. Gains are shown as an asset and amortized over the shorter of the life of the refunding bonds or the bonds that were refunded. As of June 30, 2007 the State has issued $4.8 billion of refunding bonds that are to be amortized over a time period of 3 years to 34 years. GASB Statement No. 23 defines a gain/loss as the total outstanding amount of the old bonds minus the new refunding bonds issued minus the cost of issuance on the new refunding bonds. The refunding bonds have a total loss of $924.2 million.

K. Unamortized Interest on Capital Appreciation Bonds

Unamortized Interest on Capital Appreciation Bonds represents the unaccreted interest value on zero coupon bonds that have been issued.

L. Accumulated Sick and Vacation

Pursuant to GASB Statement No. 16, Accounting *for Compensated Balances*, Accumulated Sick and Vacation payable represents the liability due to employees for unused sick and vacation time.

M. Capital Leases (Non-Bonded)

Capital Leases represent long-term contractual obligations that the State has entered into for the purpose of utilizing office space for State operations and program usage. Examples of non-bonded capital leases include motor vehicle inspection stations, State government office buildings, and group homes for the developmentally disabled.

N. Loans Payable

The New Jersey Automobile Insurance Guaranty Fund has received a $1.3 billion loan from the New Jersey Property-Liability Insurance Guaranty Association. The loan was made in an effort to depopulate the New Jersey Automobile Insurance Guaranty Fund and to help satisfy its unfunded liability.

O. Net Pension Obligation

Net Pension Obligation (NPO) represents a $3.8 billion pension fund liability due to the Judicial Retirement System, the State Police Retirement System, the Consolidated Police and Firemen's Retirement System, and the Teachers' Pension and Annuity Fund. Financial reporting requirements for net pension fund obligations fall under the purview of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers.*

P. Other

This obligation represents unamortized long-term claims which are required to be reported under National Council on Governmental Accounting Statement No. 1 as a general long-term liability of the State. This includes health ($139.6 million), dental ($6.9 million), and Medicaid benefit claims ($251.1 million of which $118.2 million is federally reimbursable) which have been incurred but not reported.

Q. Proprietary Funds/Business-type Activities

Large Lottery prizes are paid out to winners over a period of multiple years. Current Lottery proceeds are used to purchase deposit fund contracts which will provide sufficient amounts for future payment of installment prizes. Future payments of installment prizes in the present value of $739.4 million are recorded as non-current liabilities in both the fund financial statements and the government-wide statements.

R. Moral Obligation Bonds

The authorizing legislation for certain State entities provides for specific budgetary procedures with respect to certain obligations issued by these entities. Pursuant to such legislation, a designated official is required to certify any deficiency in debt service funds maintained to meet payments of principal and interest on the obligations, and a State appropriation in the amount of the deficiency is to be made. However, the State Legislature is not legally bound to make an appropriation. Bonds issued pursuant to authorizing legislation of this type are sometimes referred to as "moral obligation" bonds. There is no statutory limitation on the amount of "moral obligation" bonds which may be issued by eligible State entities. Currently, bonds issued by the South Jersey Port Corporation, the New Jersey Housing and Mortgage Finance Agency, and the Higher Education Student Assistance Authority fall under this category. Furthermore, the New Jersey Housing and Mortgage Finance Agency and the Higher Education Student Assistance Authority have not had a deficiency in their respective debt service funds which required the State to appropriate funds.

The State provides the South Jersey Port Corporation with funds to cover all debt service and property tax requirements when the Corporation's earned revenues are anticipated to be insufficient to cover these obligations. On December 1, 2006, the Corporation certified that it would be unable to provide sufficient funds from operations for debt service, and therefore, required a State appropriation for Fiscal Year 2007 in the amount of $6.9 million.

NOTE 11 - RISK MANAGEMENT AND INSURANCE COVERAGE

The State is self-insured and self-administered for tort, workers' compensation, and automobile liability claims. As of June 30, 2007 no liability for unpaid claims has been established since the amount of loss cannot be reasonably estimated, however, any unpaid claims are not expected to be material. Claims are reported as expenditures in the General Fund in the year they are paid. Amounts expended for tort, workers' compensation, and automobile liability claims for Fiscal Year 2007 and Fiscal Year 2006 are detailed below (expressed in millions):

Type of Claim	Fiscal Year 2007	Fiscal Year 2006
Tort	$ 15.7	$ 16.4
Workers' compensation	27.0	25.5
Automobile	3.7	3.5

Property exposure is handled by a commercial insurance carrier. There were no reductions in commercial insurance coverage during the fiscal year ended June 30, 2007. No settlements exceeded commercial insurance coverage during each of the past three fiscal years. The State does not participate in any risk pools.

The State has obtained a financial guaranty policy insurance commitment to cover potential permanent losses on investments by non-state participants in the State of New Jersey Cash Management Fund-External Portion (Investment Trust Fund). The State is liable for reimbursement to the issuer of the financial guaranty policy insurance commitment for any payments made. This financial guaranty policy insurance commitment expires on July 1, 2016.

NOTE 12 – DERIVATIVES

A. Interest Rate Swap Agreements

The State has obtained long-term financing in the form of voter-approved General Obligation Debt and other obligations for which voter approval is not needed and has not otherwise been sought. Non-voter approved long-term financings include debt obligations such as revenue bonds, certificates of participation, and installment obligations. The State pays debt service on these debt obligations pursuant to a State contract it enters into with the issuer, subject to annual appropriations made by the State Legislature. These debt obligations include, but are not limited to, certain bonds issued through State public authorities such as the New Jersey Building Authority, the New Jersey Economic Development Authority, the New Jersey Sports and Exposition Authority, and the New Jersey Transportation Trust Fund Authority. In connection with certain bonds issued, or anticipated, through these public authorities, the State has entered into Interest Rate Exchange Agreements (Swap Agreements). As of June 30, 2007 the State has 29 active swap agreements with 12 swap providers for a combined notional amount of $4.8 billion.

B. Interest Rate Swap Agreements – Synthetic Fixed Rate

The State acting through its public authorities entered into 23 swap agreements in connection with the issuance of $3,027.4 million in variable rate bonds. In each case, the State, acting through its public authorities, issued bonds bearing interest at a variable rate and simultaneously entered into one or more swap agreements with various swap providers. Under the terms of the swap agreements, the State will pay a fixed rate on a notional amount of bonds outstanding while the swap counterparty pays a variable rate on the same notional amount which is anticipated to, over time, match the variable interest rate on the bonds. In effect, the State has locked in its interest cost at the fixed rate on the swap agreement, at a lower interest cost than issuing fixed rate bonds. A description of each transaction follows:

Issuer/Series	Notional Amounts ($ Millions)	Effective Date	Synthetic Fixed Rate	Variable Rate Received
NJ Sports and Exposition Authority				
1992 Series C	$ 172.090	11/12/92	5.860 %	65% of the 1-month USD-LIBOR
2002 Series B-1, B-2	87.835	1/29/02	4.500	The lesser of the weighted average of the BMA Index or 70% of the 1-Month USD-LIBOR
NJ Transportation Trust Fund Authority				
2003 Series B-1	85.000	1/30/03	3.565	67% of the 1-month USD-LIBOR
2003 Series B-2	85.000	1/30/03	3.537	67% of the 1-month USD-LIBOR
2003 Series B-3	50.000	1/30/03	3.630	67% of the 1-month USD-LIBOR
2003 Series B-4	62.500	1/30/03	3.675	67% of the 1-month USD-LIBOR
2003 Series B-5	62.500	1/30/03	3.675	67% of the 1-month USD-LIBOR
NJ Economic Development Authority				
Business Employment Incentive Program				
2004 Series B	48.680	11/1/04	4.761	100% of 1-Month USD-LIBOR + 7 Basis Points
School Facilities Construction Program				
2004 Series J (2 swap agreements)	500.000	9/1/04	4.063	75% of 1-Month USD-LIBOR
2005 Series M (2 swap agreements)	500.000	3/1/05	4.176	75% of 1-Month USD-LIBOR
2005 Series Q (2 swap agreements)	500.000	3/1/06	4.296	75% of 1-Month USD-LIBOR
2006 Series R (2 swap agreements)	500.000	9/1/06	4.407	75% of 1-Month USD-LIBOR
2006 Series S	104.933	11/1/06	4.324	75% of 1-Month USD-LIBOR + 5.25 Basis Points
NJ Building Authority				
2003 Series A (6 swap agreements)	181.875	8/20/03	3.640	62% of 1-Month USD-LIBOR + 20 Basis Points

The bonds and the related swap agreements listed above have final maturities ranging from November 1, 2014 through March 1, 2035. The total current notional amount of $2,940.4 million matches the amount of variable rate bonds that are outstanding as of June 30, 2007. Under the swap agreements, the State pays the counterparties a fixed payment at ranging from 3.537 percent to 5.860 percent and receives a variable payment as computed for each associated transaction as shown above. The swap provider calculates the variable rate, as well as the dollar amount that is owed by the swap counterparty. The remarketing agent or the auction agent, depending on the transaction, determines the variable interest rate that is applied to the bonds.

The New Jersey Economic Development Authority entered into three forward interest rate swap agreements associated with $604.9 million in bonds issued under the Educational Facilities Construction and Financing Act in Fiscal Year 2007. The interest rate swap agreements were designed to commence on September 1, 2006 and November 1, 2006 and to terminate on September 1, 2031 and November 1, 2016 respectively. Under the agreements, the Authority would pay a fixed rate of 4.41 percent per annum and 4.32 percent per annum respectively to the counterparty and receive a variable rate equal to 75 percent of the one-month LIBOR and 75 percent of the one-month LIBOR plus 5.25 basis points.

On February 26, 2007, the New Jersey Economic Development Authority amended its March 1, 2007 swap agreement to extend its commencement date to May 1, 2010 and the termination date to March 1, 2035. In addition, the swap agreement was amended to provide that the New Jersey Economic Development Authority pay a fixed rate of 4.25 percent. On the same date, the New Jersey Economic Development Authority amended a second March 1, 2007 swap agreement to extend its commencement date to May 1, 2009 and the termination date to March 1, 2034. In addition, the swap agreement was amended to provide that the New Jersey Economic Development Authority pay a fixed rate of 4.51 percent. On the same date, a third swap agreement dated March 1, 2007 was amended to extend its commencement date to November 1, 2009 and the termination date to September 1, 2034. In addition, the swap agreement was amended to provide that the New Jersey Economic Development Authority pay a fixed rate of 4.55 percent. On March 2, 2007, the New Jersey Economic Development Authority amended a fourth March 1, 2007 swap agreement to extend its commencement date to November 1, 2008 and the termination date to September 1, 2033. In addition, the swap agreement was amended to provide that the New Jersey Economic Development Authority pay a fixed rate of 4.49 percent. For the entire swap agreements listed above, the New Jersey Economic Development Authority will receive a variable rate equal to 62.0 percent of the one-month LIBOR plus 40.0 basis points.

C. Interest Rate Swap Agreements – Forward Strategy

The State of New Jersey has entered into six swap agreements in association with $1.8 billion of future bond transactions involving the New Jersey Economic Development Authority's School Facilities Construction Program. The purpose of entering into the swap agreements was to take advantage of "locking in" historically low fixed interest rates for bonds that are to be issued in the future. The swap agreements have allowed the State the opportunity to limit its interest rate exposure.

A description of each current forward strategy swap agreement is as follows:

New Jersey Economic Development Authority

Issuer/Series	Notional Amounts ($ Millions)	Effective Date	Synthetic Fixed Rate	Variable Rate Received
School Facilities Construction Program	250.000	9/1/07	4.3990	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	9/1/07	4.3990	75% of 1-Month USD-LIBOR
School Facilities Construction Program	250.000	11/1/08	4.4890	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	5/1/09	4.5120	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	250.000	11/1/09	4.5490	62% of 1-Month USD-LIBOR+ 40 Basis Points
School Facilities Construction Program	500.000	5/1/10	4.2510	62% of 1-Month USD-LIBOR+ 40 Basis Points

On October 31, 2006, the New Jersey Economic Development Authority amended its November 1, 2006 Business Employment Incentive Program swap agreement to allow its counterparty to partially hedge the Authority's School Facilities Construction Bonds, 2004 Series H.

D. Interest Rate Swap Agreements - Fair Value

Between November 12, 1992 and June 30, 2007, the State, acting through its public authorities, has entered into 29 swap agreements. During this time, general interest rates have declined since the execution of the swap agreements. As a result, the net present value of the State's entire portfolio as of June 30, 2007 is a negative of $67.7 million. A breakdown of this amount is shown below:

Authority/Isssuer	Net Present Value ($ Millions)
NJ Building Authority	$ 0.523
NJ Economic Development Authority	
Business Employment Incentive Program	1.379
School Facilities Construction Program	(42.956)
NJ Sports and Exposition Authority	(33.301)
NJ Transportation Trust Fund Authority	6.606
Total	$ (67.749)

The amounts shown above are the amounts that the State would pay to swap counterparties in the event that all the State's swap agreements were terminated on June 30, 2007. The swap agreements could only be terminated for certain events of default listed in each swap agreement document, including a swap counterparty default. In the event of a swap counterparty default, it is likely that this event would be remedied through the assignment to an alternate swap counterparty.

E. Interest Rate Swap Agreements - Credit Risk

The swap agreement contracts require that each swap counterparty shall have a credit rating from at least one nationally recognized statistical rating agency that is within the two highest investment grade categories. Ratings, which are obtained from any other nationally recognized statistical rating agencies for such swap counterparty shall also be within the three highest investment rated categories, or the payment obligations of the swap counterparty shall also be unconditionally guaranteed by an entity with such credit ratings. The swap agreements also require that should the credit rating of a swap counterparty fall below the rating required, that the obligations of such swap counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, at the agreed upon collateral threshold levels pursuant to the Credit Support Agreement. The collateral threshold levels are adjusted based on counterparty ratings as set forth in the Credit Support Agreement. Even though some of the mark to market values of the swap agreements have become positive, no collateral posting is required as of June 30, 2007.

F. Interest Rate Swap Agreements - Basis Risk

The swap agreements expose the State to basis risk should the relationship between LIBOR and actual variable rate payments diverge. The effect of this difference in basis is indicated by the difference between the anticipated variable rate and the actual variable rate.

G. Interest Rate Swap Agreements - Termination Risk

Each swap agreement contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes "additional termination events", providing that the swap agreements may be terminated if either the State's or a swap counterparty's credit quality rating falls below certain levels. The State or the swap counterparties may terminate the swap agreements if the other party fails to perform under the terms of the contract. If one or more of the swap agreements is terminated, the related variable rate bonds would no longer be hedged and the State would no longer be effectively paying a synthetic fixed rate with respect to those bonds. Also, if at the time of termination the swap agreement has a negative fair value, the State would incur a loss and would be required to settle with the swap counterparty at the swap agreement's fair value.

NOTE 13 - OTHER LIABILITIES

Other liabilities presented in the statement of net assets consist principally of revenue refunds payable to taxpayers of $303.3 million.

In addition, the New Jersey Schools Construction Corporation reflects other liabilities of $75.2 million which represent deposits received from local school districts to fund the local share portion of non-Abbott school facility projects, or to cover certain ineligible costs pertaining to projects in the Abbott school districts.

NOTE 14 - FUND BALANCES/NET ASSETS RESTRICTED BY ENABLING LEGISLATION

A. Reserved - Other

In the fund financial statements, reservations of fund balance classified as "reserved - other" consist principally of legally mandated escrow balances and long-term loans and receivables due from individuals, municipalities, and authorities that are considered not currently available for expenditure in subsequent accounting periods. In addition, balances have been reserved in the following funds for purposes described below.

General Fund

The $251.4 million reservation in the General Fund that is considered not currently available for appropriations consists principally of monies not available for expenditure because the asset is not an available financial resource for current appropriations ($170.7 million), a portion of bond receipts which is earmarked to pay debt service in the next fiscal year ($22.8 million), a portion of the 4 percent constitutionally dedicated Corporation Business Tax revenues reserved for environmental cleanup projects in excess of allowable expenditures ($38.1 million), and other items ($19.8 million).

Fund for Support of Free Public Schools

New Jersey statutes provide for the establishment of a school bond reserve within this fund. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 1 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations. Accordingly, $101.5 million has been reserved as of June 30, 2007.

New Jersey Schools Construction Corporation

In this fund, $2.8 million has been reserved for Qualified Zone Academies and prepayments.

New Jersey Transportation Trust Fund Authority

An amount of $1.5 million has been reserved for future debt service payments.

Tobacco Settlement Financing Corporation, Inc.

The $267.8 million reservation represents money reserved for future debt service payments on outstanding bonds payable.

B. Unreserved

In the fund financial statements, unreserved consists of designated for continuing appropriations, designated for unrealized gains, and undesignated.

General Fund

The $2.9 billion unreserved balance consists of $1,473.1 million designated for continuing appropriations, $8.0 million designated for unrealized gains, and $1,410.4 million undesignated.

Property Tax Relief Fund

The $690.7 million unreserved balance is undesignated.

C. Net Assets Restricted by Enabling Legislation

As of June 30, 2007, the Statement of Net Assets reported $5.8 billion of restricted net assets. Net assets are restricted when constraints from external parties can compel the State to comply with legally enforceable enabling legislation requiring that resources be used for a specific purpose.

NOTE 15 – OTHER FINANCING SOURCES/USES-OTHER

The following items were recorded as other financing sources (uses) –other in the fund financial statements (expressed in millions):

	General Fund	Non-Major Funds	Total Governmental Funds
Installment obligations issued	$ 665.9	$ --	$ 665.9
Refunding debt issued	107.6	3,622.2	3,729.8
Premium related to refunding debt issued	1.0	--	1.0
Capital lease acquisitions	8.0	--	8.0
Premium related to revenue bonds	--	1.1	1.1
Premium related to installment obligations	5.1	--	5.1
Certificates of participation issued	30.1	--	30.1
Payments to escrow agents on refunding bonds	(108.6)	(3,634.3)	(3,742.9)
Other Financing Sources (Uses) - Other	$ 709.1	$ (11.0)	$ 698.1

NOTE 16 – OPERATING LEASES

The State of New Jersey has commitments to lease certain land, buildings, and equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of June 30, 2007 are as follows (expressed in millions):

Fiscal Year	Amount
2008	$ 26.6
2009	20.2
2010	15.0
2011	10.5
2012	8.5
2013-2017	23.0
2018-2022	3.0
Total Future Minimum Lease Payments	$ 106.8

NOTE 17 – RETIREMENT SYSTEMS, HEALTH BENEFITS, AND POST-RETIREMENT MEDICAL BENEFITS

A. RETIREMENTS SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees:

Consolidated Police and Firemen's Pension Fund (CPFPF)--established in January 1952, under the provisions of N.J.S.A. 43:16 to provide coverage to municipal police and firemen who were appointed prior to July 1, 1944. The fund is a closed system with no active members.

Judicial Retirement System (JRS)--established in June 1973, under the provisions of N.J.S.A. 43:6A to provide coverage to all members of the State judiciary system. Membership is mandatory for such employees with vesting after 5 years of successive service as a judge and 10 years in the aggregate of public service.

Police and Firemen's Retirement System (PFRS)--established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees with vesting occurring after 10 years of membership.

Prison Officers' Pension Fund (POPF)--established in January 1941, under the provisions of N.J.S.A. 43:7 to provide coverage to various employees of the State penal institutions who were appointed prior to January 1, 1960. The fund is a closed system with no active members. New employees of the State penal institutions are enrolled in the Police and Firemen's Retirement System.

Public Employees' Retirement System (PERS)--established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

State Police Retirement System (SPRS)--established in July 1965, under the provisions of N.J.S.A. 53:5A to provide coverage to all uniformed officers and troopers of the State Police in the State. Membership is mandatory and vesting occurs after 10 years of membership.

Teachers' Pension and Annuity Fund (TPAF)--established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local governmental employers do not appropriate funds to SACT.

The State also administers the Central Pension Fund (CPF) which is a single-employer noncontributory defined benefit plan for special groups which are not included in other State-administered systems.

The State also administers the Pensions Adjustment Fund (PAF) which provides cost of living increases, equal to 60 percent of the change in the average consumer price index, to eligible retirees in some State-sponsored pension systems which are the CPFPF, POPF, and CPF. This benefit is funded by the State as benefit allowances become payable.

The cost of living increase for PFRS, PERS, TPAF, SPRS, and JRS are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems, funds, and trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D, and Common Pension Fund E. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Significant Legislation

Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent. The law provides that local employers' PFRS normal and accrued liability contributions shall be as follows: for payments due in the State fiscal year ending June 30, 2004, 20 percent; for payments due in the State fiscal year ending June 30, 2005, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2007, not more than 80 percent.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on percentages ranging from 3.00 percent to 8.50 percent of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all funds except the SACT, CPF, and PAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the JRS, PFRS, PERS, SPRS, and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2007 for CPFPF and TPAF, which are cost sharing plans with special funding situations, and for JRS, POPF, and SPRS, which are single employer plans, the annual pension cost differs from the annual required contribution. For PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, annual pension cost equals contributions made.

The annual pension cost for the fiscal year ending June 30, 2007 and related information, including a summary of the significant actuarial methods and assumptions used by the retirement systems, are presented on the following pages.

		CPFPF	JRS	PFRS
Annual Pension Cost (APC)				
State:	**06/30/05**	$ 10,948,923	$ 21,379,105	$ 49,326,846
	06/30/06	6,571,593	22,849,429	73,541,000
	06/30/07	1,015,627	25,134,303	127,404,777
Local:	**06/30/05**	--	--	132,740,650
	06/30/06	--	--	260,986,583
	06/30/07	--	--	422,743,218
Contributions Made				
State:	**06/30/05**	7,046,000	6,162,076	49,326,846
	06/30/06	6,396,222	7,972,000	73,541,000
	06/30/07	1,783,902	13,355,587	127,404,777
Local:	**06/30/05**	--	--	132,740,650
	06/30/06	--	--	260,986,583
	06/30/07	--	--	422,743,218
Percentage of APC Contributed				
State:	**06/30/05**	64.4%	28.8%	100.0%
	06/30/06	97.3%	34.9%	100.0%
	06/30/07	175.6%	53.1%	100.0%
Local:	**06/30/05**	--	--	100.0%
	06/30/06	--	--	100.0%
	06/30/07	--	--	100.0%
Net Pension Obligation				
State:	**06/30/05**	7,283,212	(16,713,641)	--
	06/30/06	7,458,583	(1,836,212)	--
	06/30/07	6,690,308	9,942,504	--
Local:	**06/30/05**	--	--	--
	06/30/06	--	--	--
	06/30/07	--	--	--
Contribution rates				
State		N/A	41.5%	28.3%
State-related employers		N/A	N/A	16.7%
Employees		N/A	3.0%	8.5%

Significant Actuarial Assumptions and Methods			
Date of actuarial valuation	6/30/06	6/30/06	6/30/06
Actuarial cost method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method	Level Dollar Closed	Level Percent Open	Level Percent Open
Remaining amortization period	1 year	30 years	30 years
Asset valuation method	Five Year Average of Market Value	Five Year Average of Market Value	Five Year Average of Market Value
Actuarial assumptions			
Investment rate of return	2.00%	8.25%	8.25%
Projected salary increases	N/A	5.45%	7.20%
Cost-of-Living adjustments	N/A	1.80%	1.80%

		POPF	PERS	SPRS	TPAF
Annual Pension Cost (APC)					
State:	**06/30/05**	$ (467,005)	$ 463,342	$ 43,542,005	$ 903,979,061
	06/30/06	801,063	568,139	51,525,290	1,212,219,609
	06/30/07	129,444	215,629,964	61,668,569	1,466,081,478
Local:	**06/30/05**	--	56,916,883	--	--
	06/30/06	--	141,498,069	--	--
	06/30/07	--	242,230,174	--	--
Contributions Made					
State:	**06/30/05**	--	463,342	187,909	--
	06/30/06	--	568,139	12,941,000	94,226,363 *
	06/30/07	--	215,629,964	29,875,748	699,322,200
Local:	**06/30/05**	--	56,916,883	--	--
	06/30/06	--	141,498,069	--	--
	06/30/07	--	242,230,174	--	--
Percentage of APC Contributed					
State:	**06/30/05**	0.0%	100.0%	0.4%	0.0%
	06/30/06	0.0%	100.0%	25.1%	7.8% *
	06/30/07	0.0%	100.0%	48.4%	47.7%
Local:	**06/30/05**	--	100.0%	--	--
	06/30/06	--	100.0%	--	--
	06/30/07	--	100.0%	--	--
Net Pension Obligation					
State:	**06/30/05**	(7,221,712)	--	199,252,351	1,590,263,911
	06/30/06	(6,420,649)	--	237,836,641	2,708,257,157 *
	06/30/07	(6,291,205)	--	269,629,462	3,475,016,435
Local:	**06/30/05**	--	--	--	--
	06/30/06	--	--	--	--
	06/30/07	--	--	--	--
Contribution rates					
State		N/A	5.4%	25.5%	17.3%
State-related employers		N/A	3.8%	N/A	N/A
Employees		N/A	5.0% (7.5% for County Prosecutors)	7.5%	5.0%
Significant Actuarial Assumptions and Methods					
Date of actuarial valuation		6/30/06	6/30/06	6/30/06	6/30/06
Actuarial cost method		Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization method		Level Dollar Closed	Level Percent Open	Level Percent Open	Level Percent Open
Remaining amortization period		1 year	30 years	30 years	30 years
Asset valuation method		Market Value	Five Year Average Market Value	Five Year Average Market Value	Five Year Average Market Value
Actuarial assumptions					
Investment rate of return		5.00%	8.25%	8.25%	8.25%
Projected salary increases		N/A	5.45%	5.45%	5.45%
Cost-of-Living adjustments		N/A	1.80%	1.80%	1.80%

* Restated

The Annual Pension Cost (APC) and Net Pension Obligation (NPO) for the single employer plans and cost sharing plans with special funding situations, which are administered by the State of New Jersey for the fiscal year ending June 30, 2007, are presented below:

	SINGLE EMPLOYER PLANS		
	JRS	POPF	SPRS
Annual Required Contribution, 6/30/07	$ 25,174,191	$ (6,291,205)	$ 56,502,006
Interest adjustment on NPO	(151,487)	(321,032)	19,621,523
Adjustment to Annual Required Contribution	111,599	6,741,681	(14,454,960)
APC as of June 30, 2007	25,134,303	129,444	61,668,569
Total Fiscal Year 2007 Contributions	13,355,587	--	29,875,748
Increase in NPO	11,778,716	129,444	31,792,821
NPO as of June 30, 2006	(1,836,212)	(6,420,649)	237,836,641
NPO as of June 30, 2007	$ 9,942,504	$ (6,291,205)	$ 269,629,462

	COST SHARING PLANS WITH SPECIAL FUNDING SITUATIONS		
	CPFPF	TPAF	TOTAL ALL PLANS
Annual Required Contribution, 6/30/07	$ 8,474,210	$ 1,407,249,580	$ 1,491,108,782
Interest adjustment on NPO	149,172	223,431,216	242,729,392
Adjustment to Annual Required Contribution	(7,607,755)	(164,599,318)	(179,808,753)
APC as of June 30, 2007	1,015,627	1,466,081,478	1,554,029,421
Total Fiscal Year 2007 Contributions	1,783,902	699,322,200	744,337,437
Increase in NPO	(768,275)	766,759,278	809,691,984
NPO as of June 30, 2006	7,458,583	2,708,257,157 *	2,945,295,520 *
NPO as of June 30, 2007	$ 6,690,308	$ 3,475,016,435	$ 3,754,987,504

*Restated

B. HEALTH BENEFITS AND POST-RETIREMENT MEDICAL BENEFITS

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other Employee Benefit Trust funds. Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a fund (Health Benefits Program Fund-State) classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as a separate fund (Health Benefits Program Fund-Local) classified as a cost sharing multiple-employer plan. The health benefit programs had a total of 454 state and local participating employers and contributing entities for Fiscal Year 2007.

The State of New Jersey sponsors and administers the following health benefit programs covering substantially all state and local government employees.

Health Benefits Program Fund (HBPF)-Local (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service or on a disability retirement. Partially funded benefits are also provided to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. Also, local employees are eligible for the PDP coverage after 60 days of employment.

Health Benefits Program Fund (HBPF)-State (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.25 provides medical coverage to qualified active and retired participants. Under P.L. 1977, c.136, the State of New Jersey pays for the health insurance coverage of all enrolled retired State employees (regardless of age) whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. The Prescription Drug Program Fund (PDP**)** was established in December 1974, under N.J.S.A. 52:14-17.29 to provide coverage to employees and their eligible dependents for drugs which under federal or State law may be dispensed only upon a prescription written by a physician. State employees are eligible for PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above trusts. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey 08625-0295.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 2909, Trenton, New Jersey 08625-0290.

Health Benefit and Post-Retirement Medical Benefits Contributions

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2007, there were 75,860 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

Commencing on July 1, 1997, State employees attaining 25 years of service credit after this date in a State administered retirement system and those who retire on disability who elect the Traditional Plan shall be subject to premium sharing based on the negotiated contracts.

P.L. 1977, c.136, provides for the State's General Fund to pay health benefits on a pay-as-you-go basis for all enrolled retired State employees, regardless of retirement date, under two provisions. The first is for State employees whose pensions are based on 25 years or more of credited service (except those who elect a deferred retirement). The second is for retired State employees who are eligible for a disability retirement regardless of years of service. The State contributed $64.6 million for 6,304 eligible retired members for Fiscal Year 2007.

PERS and TPAF retirees are excluded from the provisions set forth in P.L. 1977, c.136 since their health benefits coverage is funded through each of their respective pension fund systems via an annual state appropriation. The State made post-retirement medical (PRM) contributions of $592.7 million for TPAF and $224.3 million for PERS in Fiscal Year 2007.

The State is also responsible for the cost attributable to P.L. 1992 c.126 which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $110.3 million toward Chapter 126 benefits for 11,747 eligible retired members in Fiscal Year 2007.

P.L. 1997, c.330 provides State paid post-retirement health benefits to qualified retirees of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund and to dependents of qualified retirees. The State is responsible for 80 percent of the premium for the category of coverage elected by the retiree under the State managed care plan or a health maintenance organization participating in the program, whichever provides the lower charge. The State contributed $20.8 million in the current year to provide benefits under Chapter 330 to qualified retirees.

NOTE 18 - COMPONENT UNITS

A. Authorities

The accounts of public authorities, private not-for-profit corporations, and similar entities (hereinafter called Authorities) in the accompanying financial statements are derived from their most recently issued annual financial statements. Authorities are legally separate entities that are not operating departments of the State.

The activities of the Garden State Preservation Trust, the New Jersey Building Authority, the New Jersey School Construction Corporation, the New Jersey Transportation Trust Fund Authority, and the Tobacco Settlement Financing Corporation have been blended into the financial activities of the State as special revenue funds. All other Authorities have been discretely presented as major and nonmajor component units in the State's financial statements in accordance with GASB Statement No. 14, *The Financial Reporting Entity.*

The Authorities are managed independently, outside the appropriated budget process, and their powers generally are vested in a governing board. Authorities are established for a variety of purposes for the benefit of the State's citizenry, such as financing economic development, public transportation, low cost housing, environmental protection, and capital development for health and education. In addition, they are not subject to State constitutional restrictions on the incurrence of debt, which apply to the State itself, and may issue bonds and notes within legislatively authorized amounts.

The Governor, with the approval of the State Senate, appoints the members of the board of most Authorities. Authorities generally submit annual reports to the Governor, the State Legislature, and the State Comptroller on their operations and finances accompanied by an independent auditor's report thereon. Authorities also submit to the Governor and the State Legislature annual budget information on operations and capital construction. The Governor has from time to time exercised the statutory power to veto actions.

These component units are included in the State's reporting entity because of the significance of their operational or financial relationship with the State. Descriptions of the discretely presented Authorities and addresses from which separately issued audited financial statements and accompanying notes may be obtained are provided below:

Casino Reinvestment Development Authority (N.J.S.A. 5:12-153)
1014 Atlantic Avenue
Atlantic City, New Jersey 08401
www.njcrda.com

The Authority was created to maintain public confidence in the casino gaming industry as a tool of urban redevelopment throughout New Jersey and to directly facilitate the redevelopment of blighted areas by providing eligible projects in which licensees (casinos) can invest. The Authority encourages investment in, or financing of, projects which are made as part of a comprehensive plan to improve blighted areas or are targeted to benefit low through middle income residents. The Authority is also responsible for promoting the tourist industry in New Jersey, especially in Atlantic County.

Higher Education Student Assistance Authority (N.J.S.A. 18A:71A-1 et. seq.)
4 Quakerbridge Plaza, P.O. Box 547
Trenton, New Jersey 08625-0540
www.hesaa.org

This Authority was established to provide a single agency for the coordination and delivery of student financial assistance in the State. The Authority serves as the Guaranty Agency for the Federal Family Education Loan (FFEL) Program and the issuer of State of New Jersey College Loans to Assist State Students (NJCLASS) supplementary loan program. The authority also administers the State Tuition Aid Grants (TAG), scholarship programs, and the State College Savings Program, known as the New Jersey Better Educational Savings Trust (NJBEST).

New Jersey Commerce, Economic Growth and Tourism Commission (P.L. 1998, c.44)
20 West State Street, P.O. Box 820
Trenton, New Jersey 08625-0820
www.newjerseycommerce.org

The New Jersey Commerce, Economic Growth and Tourism Commission's mission is to serve as the lead agency for promoting job growth, business growth, and economic development in New Jersey.

New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises (P.L. 1985, c.386)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.fieldus.org/directory/records/335.htm

The New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises was established to provide financial assistance to small businesses and businesses owned by minorities and women in order to encourage entrepreneurship within these groups.

New Jersey Economic Development Authority (N.J.S.A. 34:1B-4)
36 West State Street, P.O. Box 990
Trenton, New Jersey 08625
www.njeda.com

The New Jersey Economic Development Authority is authorized to arrange long-term, low-interest financing, and other forms of assistance to private firms and companies for the purpose of maintaining and expanding employment opportunities and enlarging state and local government's tax base.

New Jersey Educational Facilities Authority (N.J.S.A. 18A:72A-4)
103 College Road East
Princeton, New Jersey 08540-6601
www.njefa.com

The New Jersey Educational Facilities Authority was established to provide a means for New Jersey public and independent colleges and universities to construct additional facilities through the financial resources of a public authority empowered to sell its debt instruments (bonds, notes, and other obligations). The Authority may finance academic and auxiliary facilities for the public and independent institutions of higher education.

New Jersey Environmental Infrastructure Trust (N.J.S.A. 58:11B-4)
3131 Princeton Pike - Building 6, P. O. Box 440
Trenton, New Jersey 08625
www.njeit.org

The New Jersey Environmental Infrastructure Trust was established to make loans and guarantee debt incurred by local government units in financing the cost of wastewater treatment system projects. The Trust may from time to time issue bonds, notes, or other obligations in any principal amounts that the Trust deems necessary, up to an aggregate principal amount of $600 million, in order to provide sufficient funds to carry out its statutory purpose.

New Jersey Health Care Facilities Financing Authority (N.J.S.A. 26:2I-4)
South Clinton and Yard Avenues, Station Plaza Bldg. #4
P.O. Box 366
Trenton, New Jersey 08625
www.njhcffa.com

The New Jersey Health Care Facilities Financing Authority was established to provide low-cost capital financing for the public and private not-for-profit health care institutions of the State.

New Jersey Housing and Mortgage Finance Agency (N.J.S.A. 55:14K-4)
637 South Clinton Avenue, P. O. Box 18550
Trenton, New Jersey 08650-2085
www.state.nj.us/dca/hmfa

The Housing and Mortgage Finance Agency makes mortgage and improvement loans to nonprofit and limited dividend sponsors for the construction or major rehabilitation of rental apartment housing for low and moderate-income families and senior citizens. In addition to providing financing, the Agency monitors and provides technical support in the planning, construction, and management of all developments in its portfolio. Its mortgage loan funds come from the sale of tax-exempt revenue bonds.

In promoting the availability of affordable homeownership financing, the Agency also provides low-interest mortgage and improvement loans to eligible residents throughout the State. Proceeds from the sale of tax-exempt mortgage revenue bonds enable the Agency to finance the purchase and improvement of one to four unit residences.

New Jersey Meadowlands Commission (N.J.S.A. 13:17-5)
1 De Korte Park Plaza
Lyndhurst, New Jersey 07071
www.meadowlands.state.nj.us

The New Jersey Meadowlands Commission is authorized and empowered to be the planning and zoning agency for the reclaiming, planning, development, redevelopment, and enhancement, including open space acquisition of the 19,730 acre Meadowlands District. The District consists of waterways, tidal flow lands, woodlands, marsh, and meadows contained within portions of 14 municipalities and two counties; Bergen and Hudson. Through the issuance, if needed, of tax-exempt bonds and notes, the Commission is able to raise needed funds.

New Jersey Redevelopment Authority (P.L. 1996, c.62)
150 West State Street, P. O. Box 790
Trenton, New Jersey 08625
www.state.nj.us/njra

The New Jersey Redevelopment Authority provides assistance in the redevelopment and revitalization of New Jersey cities. The Authority provides financial, managerial, and technical assistance to persons, firms, or corporations that wish to undertake industrial, commercial, or civic projects within qualified municipalities.

New Jersey Sports and Exposition Authority (N.J.S.A. 5:10-4)
50 Route 120
East Rutherford, New Jersey 07073
www.njsea.com

The New Jersey Sports and Exposition Authority is engaged in the business of owning, operating, and managing sports, entertainment, wagering, and convention facilities throughout the State. It has been responsible for the financing, construction, and management of the Meadowlands Racetrack and Giants Stadium, both of which opened in 1976, and the Continental Airlines Arena which opened in July, 1981. The Authority is charged with the responsibility to own, operate, and build various facilities, located in the State, including the Atlantic City Convention and Visitors Authority, for athletic and entertainment events, trade shows, and other expositions, and is authorized to issue bonds and notes and to provide the terms and security thereof.

New Jersey Transit Corporation (N.J.S.A. 27:25-1)
One Penn Plaza East
Newark, New Jersey 07105
www.njtransit.com

New Jersey Transit Corporation (NJ TRANSIT) is empowered to acquire, own, operate, and contract for the operation of public transportation services. NJ TRANSIT receives operating subsidies principally from the State by legislative appropriation and the Federal Government by defined formula grants under the Federal Transit Administration. These government grants are used to support the operation of public transportation services. NJ TRANSIT provides these services through the operation of bus and commuter rail subsidiaries. NJ TRANSIT also contracts with several motor bus carriers for certain transportation services. Under these contracts, NJ TRANSIT has the right to set fares and coordinate service levels and schedules. In addition, NJ TRANSIT contracts with the National Railroad Passenger Corporation (Amtrak) for the use of Amtrak's northeast corridor, including propulsion costs and the cost of maintaining right-of-way.

New Jersey Turnpike Authority (N.J.S.A. 27:23-3)
P. O. Box 1121
New Brunswick, New Jersey 08903
www.state.nj.us/turnpike

The New Jersey Turnpike Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations established by law. Furthermore, the Authority may issue turnpike revenue bonds or notes of the Authority, subject to prior approval by the Governor and by either or both the State Treasurer and Comptroller, payable solely from tolls and other revenues of the Authority. Effective July 9, 2003, the New Jersey Highway Authority merged and became part of the New Jersey Turnpike Authority.

New Jersey Water Supply Authority (N.J.S.A. 58:1B-4)
P. O. Box 5196
Clinton, New Jersey 08809
www.njwsa.org

The New Jersey Water Supply Authority is authorized to acquire, finance, construct, and operate water supply systems. The Authority currently operates and maintains the Delaware and Raritan Canal and the Spruce Run/Round Valley Reservoir water supply system. The Authority may, upon the request of a municipality, county, the State, or agencies thereof, enter into a contract to provide services for any water system project. All projects undertaken by the Authority shall conform to the recommendations of the New Jersey Statewide Water Supply Plan. Bonds of the Authority may be issued to finance these projects and the debt service on the bonds is payable from the revenues and other funds of the Authority.

South Jersey Port Corporation (N.J.S.A. 12:11A-1)
Second and Beckett Streets
Camden, New Jersey 08101
www.southjerseyport.com

The South Jersey Port Corporation is empowered to establish, acquire, construct, rehabilitate, improve, operate, and maintain marine terminals in the South Jersey Port District, including Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, and Cape May counties. To this end, the Corporation may issue tax-exempt revenue bonds subject to the provisions and restrictions of its Marine Terminal Bond Resolution, which mandates the distribution of funds to various Port Corporation funds.

South Jersey Transportation Authority (P.L. 1991, c.252)
Farley Service Plaza, P. O. Box 351
Hammonton, New Jersey 08037
www.sjta.com

The South Jersey Transportation Authority is authorized and empowered to acquire, construct, maintain, operate, and support transportation projects including the Atlantic City Expressway and the Atlantic County International Airport. The Authority may issue revenue bonds or notes of the Authority subject to prior approval by the Governor and by either or both the State Treasurer and State Comptroller, payable solely from tolls and other revenues of the Authority.

B. Colleges and Universities

As a result of P.L. 1986, c.42 and c.43, State colleges, whose revenues and expenditures were previously accounted for in the General Fund of the State of New Jersey, were given autonomous status effective July 1, 1987.

The financial statements of the colleges and universities have been prepared in accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. These component units are included in the State's reporting entity due to the significance of their operational or financial relationships and fiscal dependency with the State. The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Since the colleges and universities are similar in nature and function, their statements have been discretely presented in the statement of net assets and the statement of activities. They are presented in two categories, major and nonmajor. This distinction is determined by the relative size of an entity's assets, liabilities, revenues, and expenditures in relation to the total of all the colleges and universities. Pursuant to GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, all of the State colleges and universities' financial statements include the financial activity related to foundations and other similar organization within the colleges and universities.

Separately issued independent audited financial statements and accompanying notes may be directly obtained from the colleges and universities. Addresses and web-sites of the colleges and universities are presented below:

The College of New Jersey
(N.J.S.A. 18A:62-1)
2000 Pennington Road
Ewing, New Jersey 08628
www.tcnj.edu

Thomas Edison State College
(N.J.S.A. 18A:62-1)
101 West State Street
Trenton, New Jersey 08608
www.tesc.edu

Kean University
(N.J.S.A. 18A:62-1)
1000 Morris Avenue
Union, New Jersey 07083
www.kean.edu

Montclair State University
(N.J.S.A. 18A:62-1)
One Normal Avenue
Upper Montclair, New Jersey 07043
www.montclair.edu

New Jersey City University
(N.J.S.A. 18A:62-1)
2039 Kennedy Boulevard
Jersey City, New Jersey 07305
www.njcu.edu

The William Paterson University of New Jersey
(N.J.S.A. 18A:62-1)
358 Hamburg Turnpike
Wayne, New Jersey 07470
www.wpunj.edu

Ramapo College of New Jersey
(N.J.S.A. 18A:62-1)
505 Ramapo Valley Road
Mahwah, New Jersey 07430
www.ramapo.edu

Rowan University
(N.J.S.A. 18A:62-1)
201 Mullica Hill Road
Glassboro, New Jersey 08028
www.rowan.edu

Rutgers, The State University of New Jersey
(N.J.S.A. 18A:65-12)
65 Davidson Road
Piscataway, New Jersey 08854
www.rutgers.edu

The Richard Stockton State College of New Jersey
(N.J.S.A. 18A:62-1)
P.O. Box 195
Pomona, New Jersey 08420
www2.stockton.edu

New Jersey Institute of Technology
(N.J.S.A. 18A:64E-4)
323 Dr. Martin Luther King Jr. Boulevard
University Heights
Newark, New Jersey 07102
www.njit.edu

University of Medicine and Dentistry of New Jersey
(N.J.S.A. 18A:64G-4)
335 George Street
New Brunswick, New Jersey 08903
www.umdnj.edu

NOTE 19 - CONTINGENT LIABILITIES

General Fund

At any given time, there are various numbers of tort, contract, and other claims and cases pending against the State, State agencies, and employees, seeking recovery of monetary damages. The claims filed can represent significant amounts and include, but are not limited to, issues regarding pensions and education funding. The majority of these claims have historically proven to be substantially less value than originally claimed. The State does not formally estimate its reserve representing potential exposure for these claims and cases. As of June 30, 2007, the exact amount involved in these legal proceedings is not fully determinable.

Unapplied overpayments of Corporate Business Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2007 there was approximately $200.0 million of overpayments.

New Jersey Lawyers' Fund for Client Protection

Claims of approximately $14.8 million have been filed against this Fund by individuals and companies seeking reimbursement for losses resulting from the alleged dishonest conduct by members of the Bar of the State of New Jersey. Under present rules and regulations of the Fund, the total maximum amount that may be awarded from this Fund is $4.3 million. The ultimate disposition of these claims is not determinable at this time.

New Jersey Spill Compensation Fund

Various claims totaling approximately $51.7 million have been filed against this Fund by third parties for damages caused by spills. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

Property Tax Relief Fund

Unapplied overpayments of Gross Income Tax are recorded when a final determination is made as to the ultimate disposition of the overpayment. These overpayments only become a liability based upon a taxpayer filing a request for the refund. As of June 30, 2007 there were approximately $612.0 million of overpayments.

Sanitary Landfill Facility Contingency Fund

Various claims totaling approximately $23.7 million have been filed against this Fund by individuals, local municipalities, and school districts. In addition, there are a number of similar claims for unspecified dollar amounts which are pending. The ultimate disposition of these claims is not determinable at this time.

University of Medicine and Dentistry of New Jersey – Self Insurance Reserve Fund

The State has the ultimate liability for tort and malpractice claims in excess of the resources of the Fund.

Capital Projects Funds

Due to delays in construction and design problems, various claims for damages have been filed with respect to the Special Transportation Fund in the amount of $41.6 million. Fund management is presently evaluating the claims. There has been no determination as to the ultimate amount for which this Fund will be liable.

Federal Programs

Under the terms of various grant awards, expenditures from Federal funds are subject to audit. As of June 30, 2007, audits of expenditures for Fiscal Year 2007 and prior years may not be completed. Disallowances which may result from these audits are not determinable at this time. As of June 30, 2007, it is management's opinion that disallowances, if any, would not be material.

NOTE 20 – SUBSEQUENT EVENTS

Short-term Debt

For Fiscal Year 2008, the State authorized the issuance of $2.5 billion in short-term debt. The aggregate principal is to be used to provide effective cash flow management to fund the imbalances that occur in the collection of revenues and the disbursement of appropriations. On September 13, 2007 the State issued $2.0 billion of tax and revenue anticipation notes that bear an interest rate of 4.5 percent per annum. The notes have a June 24, 2008 final maturity. The State has another $500.0 million remaining in Fiscal Year 2008 borrowing authorization, should the State need additional funds in order to manage its cash flow more effectively.

Long-term Debt

On September 7, 2007 the New Jersey Economic Development Authority, in accordance with the Special Needs Housing Trust Fund Act, issued $155.1 million of Motor Vehicle Surcharges Revenue Bonds, 2007 Series A-1, A-2 and B. Proceeds from the bond issue are to be used by the New Jersey Housing and Mortgage Finance Agency for the purpose of making loans, grants or other investments to finance or otherwise pay the costs of special needs housing projects. Interest on the bonds is payable semi-annually on July 1 and January 1, commencing on January 1, 2008. The final maturity on the bonds is July 1, 2027.

On September 27, 2007 the New Jersey Transportation Trust Fund Authority issued $1.2 billion of its Transportation System Bonds, 2007 Series A to provide funds for various transportation system improvements undertaken by the New Jersey Department of Transportation and the New Jersey Transit Corporation. Interest on the bonds is payable semi-annually on June 15 and December 15, commencing on June 15, 2008. The final maturity on the 2007 Series A Bonds is December 15, 2037.

On October 4, 2007 the New Jersey Economic Development Authority, in accordance with the Educational Facilities Construction and Financing Act, issued $500.0 million in School Facilities Construction Bonds 2007 Series T, and $300.0 million in School Facilities Construction Bonds 2007 Series U. Proceeds are to be used for the purpose of partially funding the school facilities construction program. The 2007 Series T Bonds were issued as auction rate securities and have a final maturity of September 1, 2032. The 2007 Series U Bonds were issued as fixed rate debt. Interest on the bonds is payable semi-annually on March 1 and September 1, commencing on March 1, 2008. The final maturity on the 2007 Series U Bonds is September 1, 2037.

On November 1, 2007 the New Jersey Sports and Exposition Authority issued $189.5 million of State Contract Bonds 2007 Sub-Series B-1, B-2, and B-3. The bonds were issued to partially refund the Authority's outstanding Sports Complex Refunding Revenue Bonds, 1993 Series A. The bonds were also issued to partially refund State Contract Bonds, 1992 Series A, 1998 Series A, 2000 Series A, 2000 Series C, 2002 Series A, 2002 Series B-1 and B-2, and 2005 Series A. The 2007 bonds were issued as variable rate, Auction Rate Securities. Final maturity on the bonds is March 1, 2024.

On November 21, 2007 the South Jersey Port Corporation issued $11.2 million in Marine Terminal Revenue Bonds, Series 2007 N. The bonds are considered a moral obligation of the State of New Jersey. Interest is payable semi-annually on January 1 and July 1, commencing on July 1, 2008. Final maturity on the bonds is January 1, 2038.

On December 13, 2007 the State of New Jersey issued $240.0 million of general obligation bonds for various, voter-approved purposes which included a tax-exempt series totaling $200.7 million and a taxable series totaling $39.3 million. Interest is payable semi-annually on June 1 and December 1, commencing on June 1, 2008. Final maturity on the bonds is June 1, 2027.

Auction Rate Securities

The State of New Jersey, through various state authorities, has issued approximately $3.4 billion of State Contract Bonds in the form of auction rate securities. Due to market disruptions that have occurred subsequent to June 30, 2007, interest rates on auction rate securities have risen, relative to the LIBOR based receipts from swap counterparties. As a result, interest costs on auction rate bonds may rise in the future.

Required Supplementary Information

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General Fund			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ 15,302,671,000	$ 15,413,972,000	$ 15,038,368,917	$ (375,603,083)
Federal and other grants	9,591,001,045	9,658,553,838	8,046,956,041	(1,611,597,797)
Licenses and fees	1,487,652,895	1,420,837,146	1,234,281,335	(186,555,811)
Services and assessments	2,084,234,271	1,951,370,120	1,655,511,360	(295,858,760)
Investment earnings	47,000	119,252,734	123,271,131	4,018,397
Contributions	1,000	1,000	1,620	620
Other	2,833,302,649	3,010,776,177	1,913,286,778	(1,097,489,399)
Total Revenues	31,298,909,860	31,574,763,015	28,011,677,182	(3,563,085,833)
OTHER FINANCING SOURCES				
Transfers from other funds	2,202,811,000	2,450,603,435	2,240,007,798	(210,595,637)
Total Other Financing Sources	2,202,811,000	2,450,603,435	2,240,007,798	(210,595,637)
Total Revenues and Other Financing Sources	33,501,720,860	34,025,366,450	30,251,684,980	(3,773,681,470)
EXPENDITURES				
Public safety and criminal justice	3,511,922,795	3,534,073,501	3,117,653,378	416,420,123
Physical and mental health	10,249,270,284	10,236,341,213	9,328,965,434	907,375,779
Educational, cultural, and intellectual development	5,420,743,997	4,983,546,007	4,613,042,313	370,503,694
Community development and environmental management	1,970,300,041	1,977,846,719	1,418,244,637	559,602,082
Economic planning, development, and security	4,622,099,895	4,640,143,024	4,021,591,187	618,551,837
Transportation programs	506,740,490	518,451,398	455,745,135	62,706,263
Government direction, management, and control	5,846,687,250	6,016,740,721	5,462,706,210	554,034,511
Special government services	436,199,416	439,891,176	332,601,292	107,289,884
Total Expenditures	32,563,964,168	32,347,033,759	28,750,549,586	3,596,484,173
OTHER FINANCING USES				
Transfers to other funds	1,197,848,692	1,847,167,692	1,178,734,692	668,433,000
Total Other Financing Uses	1,197,848,692	1,847,167,692	1,178,734,692	668,433,000
Total Expenditures and Other Financing Uses	33,761,812,860	34,194,201,451	29,929,284,278	4,264,917,173
Net change in fund balance	(260,092,000)	(168,835,001)	322,400,702	491,235,703
FUND BALANCES - JULY 1, 2006	1,025,017,000	1,216,709,740	1,216,709,740	--
FUND BALANCES - JUNE 30, 2007	$ 764,925,000	$ 1,047,874,739	$ 1,539,110,442	$ 491,235,703

Property Tax Relief Fund			
Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
$ 11,379,010,097	$ 11,414,010,097	$ 12,376,516,638	$ 962,506,541
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
11,379,010,097	11,414,010,097	12,376,516,638	962,506,541
--	650,000,000	--	(650,000,000)
--	650,000,000	--	(650,000,000)
11,379,010,097	12,064,010,097	12,376,516,638	312,506,541
--	--	--	--
--	--	--	--
9,037,936,295	9,052,122,559	9,438,696,435	(386,573,876)
890,263,925	849,358,511	889,319,130	(39,960,619)
--	--	--	--
--	--	--	--
1,404,790,877	1,347,495,027	1,367,947,581	(20,452,554)
--	--	--	--
11,332,991,097	11,248,976,097	11,695,963,146	(446,987,049)
--	167,647,000	--	167,647,000
--	167,647,000	--	167,647,000
11,332,991,097	11,416,623,097	11,695,963,146	(279,340,049)
46,019,000	647,387,000	680,553,492	33,166,492
--	2,613,267	2,613,267	--
$ 46,019,000	$ 650,000,267	$ 683,166,759	$ 33,166,492

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	TOTAL MAJOR GOVERNMENTAL FUNDS			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ 26,681,681,097	$ 26,827,982,097	$ 27,414,885,555	$ 586,903,458
Federal and other grants	9,591,001,045	9,658,553,838	8,046,956,041	(1,611,597,797)
Licenses and fees	1,487,652,895	1,420,837,146	1,234,281,335	(186,555,811)
Services and assessments	2,084,234,271	1,951,370,120	1,655,511,360	(295,858,760)
Investment earnings	47,000	119,252,734	123,271,131	4,018,397
Contributions	1,000	1,000	1,620	620
Other	2,833,302,649	3,010,776,177	1,913,286,778	(1,097,489,399)
Total Revenues	42,677,919,957	42,988,773,112	40,388,193,820	(2,600,579,292)
OTHER FINANCING SOURCES				
Transfers from other funds	2,202,811,000	3,100,603,435	2,240,007,798	(860,595,637)
Total Other Financing Sources	2,202,811,000	3,100,603,435	2,240,007,798	(860,595,637)
Total Revenues and Other Financing Sources	44,880,730,957	46,089,376,547	42,628,201,618	(3,461,174,929)
EXPENDITURES				
Public safety and criminal justice	3,511,922,795	3,534,073,501	3,117,653,378	416,420,123
Physical and mental health	10,249,270,284	10,236,341,213	9,328,965,434	907,375,779
Educational, cultural, and intellectual development	14,458,680,292	14,035,668,566	14,051,738,748	(16,070,182)
Community development and environmental management	2,860,563,966	2,827,205,230	2,307,563,767	519,641,463
Economic planning, development, and security	4,622,099,895	4,640,143,024	4,021,591,187	618,551,837
Transportation programs	506,740,490	518,451,398	455,745,135	62,706,263
Government direction, management, and control	7,251,478,127	7,364,235,748	6,830,653,791	533,581,957
Special government services	436,199,416	439,891,176	332,601,292	107,289,884
Total Expenditures	43,896,955,265	43,596,009,856	40,446,512,732	3,149,497,124
OTHER FINANCING USES				
Transfers to other funds	1,197,848,692	2,014,814,692	1,178,734,692	836,080,000
Total Other Financing Uses	1,197,848,692	2,014,814,692	1,178,734,692	836,080,000
Total Expenditures and Other Financing Uses	45,094,803,957	45,610,824,548	41,625,247,424	3,985,577,124
Net change in fund balance	(214,073,000)	478,551,999	1,002,954,194	524,402,195
FUND BALANCES - JULY 1, 2006	1,025,017,000	1,219,323,007	1,219,323,007	--
FUND BALANCES - JUNE 30, 2007	$ 810,944,000	$ 1,697,875,006	$ 2,222,277,201	$ 524,402,195

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	General Fund	Property Tax Relief Fund
Sources/inflows of resources:		
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	$30,251,684,980	$12,376,516,638
Differences--budget to GAAP:		
Receipt of federal food stamp coupons is not a budgetary resource but is revenue for financial reporting purposes (GASB 24).	483,727,862	--
Federal revenue related to encumbrances is a budgetary resource but is not earned on a GAAP basis.	(98,540,038)	--
Proceeds and premium from the sale of school construction bonds by the Economic Development Authority are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	604,172,000	--
Proceeds and premiums from the sale of installment obligation bonds including refundings are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	129,085,553	--
Additions to other debt are not inflows of budgetary resources but are other financing sources for financial reporting purposes.	84,498,577	--
Excess anticipated revenue transferred from Fund Balance - Reserved for Surplus Revenue is a budgetary resource but is not revenue for financial reporting purposes.	(75,233,000)	--
Revenues in other funds are not inflows of budgetary resources but have been incorporated into revenues for financial reporting purposes.	(97,266,409)	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$31,282,129,525	$12,376,516,638

GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:	
Total revenues	$28,512,867,194
Transfers from other funds	1,951,506,201
Other sources	817,756,130
Total revenues and other financing sources	$31,282,129,525

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--MAJOR FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures (continued)

	General Fund	Property Tax Relief Fund
Uses/outflows of resources:		
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	$29,929,284,278	$11,695,963,146
Differences--budget to GAAP:		
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,085,079,086)	(13,370,955)
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	917,917,120	4,343,789
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(488,958)	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	(45,427,582)	--
Distribution of federal food stamp coupons is not a budgetary outflow but is an expenditure for financial reporting purposes (GASB 24).	483,727,862	--
School construction bonds proceeds distributed to the New Jersey Schools Construction Corporation are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	604,172,000	--
Installment obligation refunding bonds proceeds deposited with fiscal agent are not outflows of budgetary resources but are expenditures and other financing uses for financial reporting purposes.	129,085,553	--
Additions to other debt are not budgetary outflows but are expenditures and other financing uses for financial reporting purposes.	105,237,316	--
Expenditures in other funds are not outflows of budgetary resources but have been incorporated into expenditures for financial reporting purposes.	87,737	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$31,038,516,240	$11,686,935,980

GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds reconciliation:	
Total expenditures	$29,151,155,987
Transfers to other funds	1,778,734,700
Other uses	108,625,553
Total expenditures and other financing uses	$31,038,516,240

STATE OF NEW JERSEY
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Process

The Appropriations Act provides annual departmental budgets for the General Fund and certain special revenue funds (Casino Control, Casino Revenue, Gubernatorial Elections, and Property Tax Relief Funds). The State Legislature enacts the Appropriations Act through passage of specific departmental appropriations, the sum of which may not exceed estimated resources. It is a constitutional requirement that the Budget be balanced. The Governor certifies the revenues. Before signing the Appropriations Act, the Governor may veto or reduce any specific appropriation, subject to State Legislative override. Once passed and signed, the Appropriations Act becomes the State's financial plan for the coming fiscal year. Spending authority contained in the Appropriations Act may be revised by supplemental appropriations approved by both the State Legislature and the Governor. Expenditures are presented on the accompanying budgetary basis financial statements by statewide program classifications, not by the legal level of budgetary control. Detail at the departmental level is presented on the accompanying Schedules of Appropriations and Expenditures.

For the General Fund and budgeted special revenue funds, budgetary control (legal control) is maintained within the department (as indicated on the organization chart shown in the Transmittal Letter) at the appropriation line item level. Program classifications represent a lower level, operating program function, consisting of closely related activities with identifiable objectives or goals. Program classification examples include Water Supply Management, Forestry Management, Shellfish and Marine Fisheries Management, in the Department of Environmental Protection. Revisions to the Appropriations Act during the fiscal year may be effected with certain executive and legislative branch approvals. In accordance with the "General Provisions" section of the Annual Appropriations Act, the Executive Branch may amend the budget within a department with the approval of the Director of the Office of Management and Budget. Under specific conditions, additional approval by the Office of Legislative Services is required. Only the State Legislature, however, may transfer appropriations between departments. Transfers within a department are permitted within certain guidelines and Executive Branch approval.

Appropriations are authorized for expenditure during the fiscal year and for a period of one month thereafter, and unencumbered appropriations lapse at the end of the fiscal year, unless otherwise specified by the Appropriations Act.

The State's budgetary basis of accounting differs from that utilized to present fund financial statements in conformance with generally accepted accounting principles (GAAP). The main differences between the budgetary basis and the GAAP basis used to present fund financial statements, are that under the budgetary basis encumbrances are recognized as expenditures, the federal revenue related to such encumbrances is also recognized, and the budgetary basis reflects transactions only for the current fiscal year. In addition, under the GAAP basis in the fund financial statements, certain grants and other financial assistance are required to be recorded as revenues and expenditures.

The Budgetary Comparison Schedule displays the undesignated-unreserved fund balance for the original budget, final budget, and actual amounts (budgetary basis). The beginning fund balance for the original budget is estimated as of July 1 while the beginning fund balance for the final budget and actual amount columns represent actual amounts.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ALL PENSION TRUST FUNDS

Plan / Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
HBPF - State						
6/30/06	-	58,059,000,000	58,059,000,000	-	-	N/A
PERS - State						
6/30/04	10,693,508,592	12,620,379,435	1,926,870,843	84.7%	3,751,765,096	51.4%
6/30/05	10,631,348,826	13,432,528,883	2,801,180,057	79.1%	4,028,028,170	69.5%
6/30/06	10,668,645,162	14,797,684,446	4,129,039,284	72.1%	4,253,564,219	97.1%
PERS - Local						
6/30/04	16,414,022,003	17,077,938,057	663,916,054	96.1%	6,140,413,756	10.8%
6/30/05	16,482,040,944	18,341,857,304	1,859,816,360	89.9%	6,416,265,644	29.0%
6/30/06	16,699,827,172	20,273,979,840	3,574,152,668	82.4%	6,730,309,209	53.1%
TPAF						
6/30/04	34,633,790,549	40,447,690,339	5,813,899,790	85.6%	8,047,272,269	72.2%
6/30/05	34,789,389,875	43,967,927,299	9,178,537,424	79.1%	8,454,072,109	108.6%
6/30/06	35,531,294,790	46,539,868,653	11,008,573,863	76.3%	8,748,623,186	125.8%
PFRS-State						
6/30/04	1,940,936,459	2,509,192,584	568,256,125	77.4%	450,406,301	126.2%
6/30/05	2,005,752,079	2,815,620,221	809,868,142	71.2%	482,460,402	167.9%
6/30/06	2,082,930,162	3,082,176,677	999,246,515	67.6%	506,084,434	197.4%
PFRS-Local						
6/30/04	16,762,453,668	19,769,046,766	3,006,593,098	84.8%	2,524,859,162	119.1%
6/30/05	17,372,138,294	21,388,972,326	4,016,834,032	81.2%	2,619,347,468	153.4%
6/30/06	18,281,315,556	22,907,522,660	4,626,207,104	79.8%	2,772,915,465	166.8%
SPRS						
6/30/04	1,897,525,210	1,949,309,641	51,784,431	97.3%	223,552,154	23.2%
6/30/05	1,922,443,732	2,075,266,080	152,822,348	92.6%	241,813,372	63.2%
6/30/06	1,970,398,511	2,319,656,532	349,258,021	84.9%	263,220,592	132.7%
JRS						
6/30/04	371,730,163	445,922,358	74,192,195	83.4%	61,576,750	120.5%
6/30/05	369,491,366	466,145,912	96,654,546	79.3%	60,506,750	159.7%
6/30/06	369,493,799	493,778,007	124,284,208	74.8%	62,492,250	198.9%
CPFPF						
6/30/04	21,735,396	35,052,202	13,316,806	62.0%	-	N/A
6/30/05	21,886,445	30,031,591	8,145,146	72.9%	-	N/A
6/30/06	22,453,828	24,749,667	2,295,839	90.7%	-	N/A
POPF						
6/30/04	15,884,428	10,060,710	(5,823,718)	157.9%	-	N/A
6/30/05	14,783,465	9,077,157	(5,706,308)	162.9%	-	N/A
6/30/06	14,014,718	8,236,295	(5,778,423)	170.2%	-	N/A

Combining Financial Statements Non-Major Funds

STATE OF NEW JERSEY
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2007

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS			
Cash and cash equivalents	$ 185,394,098	$ 7,567,194	$ 192,961,292
Investments	4,940,113,391	43,766,073	4,983,879,464
Receivables, net of allowances for uncollectibles			
Federal government	--	107,302,023	107,302,023
Departmental accounts	309,458,560	563,507	310,022,067
Loans	1,144,692,135	5,000,000	1,149,692,135
Other	241,405,106	101,782,754	343,187,860
Due from other funds	183,611,358	216,701,880	400,313,238
Other	173,877	--	173,877
Total Assets	$ 7,004,848,525	$ 482,683,431	$ 7,487,531,956
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 749,181,724	$ 192,251,147	$ 941,432,871
Deferred revenue	157,336,092	--	157,336,092
Due to other funds	837,868,207	150,752,160	988,620,367
Other	78,257,135	--	78,257,135
Total Liabilities	1,822,643,158	343,003,307	2,165,646,465
Fund Balances			
Reserved for:			
Encumbrances	1,189,708,507	29,157,699	1,218,866,206
Other	1,533,572,363	5,000,000	1,538,572,363
Unreserved:			
Designated-continuing appropriations	2,424,519,624	110,522,425	2,535,042,049
Designated-unrealized gains	89,167	--	89,167
Undesignated	34,315,706	(5,000,000)	29,315,706
Total Fund Balances	5,182,205,367	139,680,124	5,321,885,491
Total Liabilities and Fund Balances	$ 7,004,848,525	$ 482,683,431	$ 7,487,531,956

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES			
Taxes	$ 1,708,532,324	$ --	$ 1,708,532,324
Federal and other grants	85,949,129	903,705,839	989,654,968
Licenses and fees	127,198,845	--	127,198,845
Services and assessments	943,780,813	1,324,914	945,105,727
Investment earnings	281,829,618	5,083,631	286,913,249
Contributions	100,205	--	100,205
Other	318,832,578	62,934	318,895,512
Total Revenues	3,466,223,512	910,177,318	4,376,400,830
EXPENDITURES			
Current:			
Public safety and criminal justice	99,823,687	16,324,631	116,148,318
Physical and mental health	408,011,643	287,651	408,299,294
Educational, cultural, and intellectual development	1,141,666,762	--	1,141,666,762
Community development and environmental management	496,369,056	--	496,369,056
Economic planning, development, and security	926,436,790	187,540	926,624,330
Transportation programs	37,205,129	2,349,734,624	2,386,939,753
Government direction, management, and control	304,877,674	4,045	304,881,719
Special government services	139,666	--	139,666
Debt Service:			
Principal	303,957,452	--	303,957,452
Interest	606,160,874	--	606,160,874
Total Expenditures	4,324,648,733	2,366,538,491	6,691,187,224
Excess (deficiency) of revenues over expenditures	(858,425,221)	(1,456,361,173)	(2,314,786,394)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	48,745,000	--	48,745,000
Transfers from other funds	1,862,767,819	1,441,319,065	3,304,086,884
Transfers to other funds	(2,591,392,706)	(2,187,180)	(2,593,579,886)
Other sources	3,623,280,908	--	3,623,280,908
Other uses	(3,634,332,000)	--	(3,634,332,000)
Total other financing sources (uses)	(690,930,979)	1,439,131,885	748,200,906
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,549,356,200)	(17,229,288)	(1,566,585,488)
Fund balances - July 1, 2006	6,731,561,567	156,909,412	6,888,470,979
Fund balances - June 30, 2007	$ 5,182,205,367	$ 139,680,124	$ 5,321,885,491

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
ASSETS			
Cash and cash equivalents	$ 84,242	$ 123,924	$ 615,902
Investments	6,863,136	255,124	905,935
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	3,156,660	396,316
Loans	--	--	--
Other	--	--	--
Due from other funds	2,144,023	14,164	--
Other	--	--	--
Total Assets	$ 9,091,401	$ 3,549,872	$ 1,918,153
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 350,495	$ 2,630,550	$ 87,273
Deferred revenue	--	--	--
Due to other funds	1,396,941	526,110	--
Other	--	--	--
Total Liabilities	1,747,436	3,156,660	87,273
Fund Balances			
Reserved for:			
Encumbrances	4,033,501	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	3,310,464	393,212	1,830,880
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	7,343,965	393,212	1,830,880
Total Liabilities and Fund Balances	$ 9,091,401	$ 3,549,872	$ 1,918,153

Atlantic City Tourism Promotion Fund	Beaches and Harbor Fund	Board of Bar Examiners	Boarding House Rental Assistance Fund
$ 377,679	$ 297,240	$ 6,036	$ 336,421
14,843	1,112,661	6,172,881	157,729
1,116,090	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
$ 1,508,612	$ 1,409,901	$ 6,178,917	$ 494,150
$ 1,440,515	$ --	$ 811,403	$ --
--	--	--	--
--	57,548	--	--
--	--	--	--
1,440,515	57,548	811,403	--
--	--	--	--
--	--	--	--
68,097	1,352,353	5,367,514	494,150
--	--	--	--
--	--	--	--
68,097	1,352,353	5,367,514	494,150
$ 1,508,612	$ 1,409,901	$ 6,178,917	$ 494,150

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Body Armor Replacement Fund	Capital City Redevelopment Loan and Grant Fund	Casino Control Fund
ASSETS			
Cash and cash equivalents	$ 2,701,859	$ 633,392	$ 51,000
Investments	5,050,726	283,545	--
Receivables, net of allowances for uncollectibles			
Departmental accounts	381,262	--	10,166,001
Loans	--	813,754	--
Other	--	--	--
Due from other funds	--	--	6,651,716
Other	--	--	--
Total Assets	$ 8,133,847	$ 1,730,691	$ 16,868,717
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 134,083	$ 17,526	$ 5,111,898
Deferred revenue	--	--	8,184,000
Due to other funds	75,000	68,207	--
Other	--	--	--
Total Liabilities	209,083	85,733	13,295,898
Fund Balances			
Reserved for:			
Encumbrances	243,225	--	1,464,066
Other	--	813,754	--
Unreserved:			
Designated-continuing appropriations	7,681,539	831,204	621,090
Designated-unrealized gains	--	--	--
Undesignated	--	--	1,487,663
Total Fund Balances	7,924,764	1,644,958	3,572,819
Total Liabilities and Fund Balances	$ 8,133,847	$ 1,730,691	$ 16,868,717

	Casino Revenue Fund	Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund	Clean Communities Account Fund
$	--	$ 499,396	$ 1,757,481	$ 131,714	$ 1,382,128
	--	51,556	2,442,043	6,173,424	2,145,084
	36,224,796	--	--	4,531,804	638,803
	--	--	--	--	--
	--	--	--	--	--
	43,183,626	--	--	1,648,112	--
	--	--	--	--	--
$	79,408,422	$ 550,952	$ 4,199,524	$ 12,485,054	$ 4,166,015
$	24,147,595	$ --	$ --	$ --	$ --
	777,000	--	--	--	--
	14,163	550,952	--	8,484,612	--
	--	--	--	--	--
	24,938,758	550,952	--	8,484,612	--
	53,439,561	--	--	27,631	544
	--	--	--	--	--
	30,103	--	4,199,524	3,972,811	4,165,471
	--	--	--	--	--
	1,000,000	--	--	--	--
	54,469,664	--	4,199,524	4,000,442	4,166,015
$	79,408,422	$ 550,952	$ 4,199,524	$ 12,485,054	$ 4,166,015

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Clean Energy Fund	Clean Waters Fund	Cultural Centers and Historic Preservation Fund
ASSETS			
Cash and cash equivalents	$ 4,136,493	$ 24,329	$ 49,731
Investments	134,788,486	141,389	1,244,554
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	14,952,029	--	54,000
Due from other funds	9,000	7,277	--
Other	--	--	--
Total Assets	$ 153,886,008	$ 172,995	$ 1,348,285
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 12,024,418	$ --	$ 143,934
Deferred revenue	--	--	--
Due to other funds	2,483,999	287,036	6,551,513
Other	--	--	--
Total Liabilities	14,508,417	287,036	6,695,447
Fund Balances			
Reserved for:			
Encumbrances	28,072,209	8,392	1,678,209
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	111,305,382	--	--
Designated-unrealized gains	--	--	--
Undesignated	--	(122,433)	(7,025,371)
Total Fund Balances	139,377,591	(114,041)	(5,347,162)
Total Liabilities and Fund Balances	$ 153,886,008	$ 172,995	$ 1,348,285

2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund
$ 283,173	$ 144,540	$ 2,288,281	$ 154	$ --
164,172	392,523	6,127,422	6,892,287	7,363,439
--	--	--	--	--
15,422,827	--	8,802,856	--	--
5,884	--	47,348	--	--
384,570	126,153	--	--	--
--	--	--	--	--
$ 16,260,626	$ 663,216	$ 17,265,907	$ 6,892,441	$ 7,363,439
$ --	$ --	$ --	$ --	$ 14,886
--	--	--	--	--
16,468,742	4,708,676	--	91,732	574,051
--	--	--	--	--
16,468,742	4,708,676	--	91,732	588,937
43,135,958	20,015,298	49,350	--	1,653,596
15,422,827	--	8,802,856	--	--
--	--	8,413,701	6,800,709	5,120,906
--	--	--	--	--
(58,766,901)	(24,060,758)	--	--	--
(208,116)	(4,045,460)	17,265,907	6,800,709	6,774,502
$ 16,260,626	$ 663,216	$ 17,265,907	$ 6,892,441	$ 7,363,439

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Disciplinary Oversight Committee	Division of Motor Vehicles Surcharge Fund	Dredging and Containment Facility Fund
ASSETS			
Cash and cash equivalents	$ 5,453,922	$ 1,280,915	$ 90,928
Investments	--	1,808,310	25,973,095
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	8,012,144	--
Loans	--	--	--
Other	20,179	3,648,307	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 5,474,101	$ 14,749,676	$ 26,064,023
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 2,975,149	$ 14,749,676	$ 98,470
Deferred revenue	--	--	--
Due to other funds	--	--	568,847
Other	--	--	--
Total Liabilities	2,975,149	14,749,676	667,317
Fund Balances			
Reserved for:			
Encumbrances	--	--	108,139,317
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	2,498,952	--	--
Designated-unrealized gains	--	--	--
Undesignated	--	--	(82,742,611)
Total Fund Balances	2,498,952	--	25,396,706
Total Liabilities and Fund Balances	$ 5,474,101	$ 14,749,676	$ 26,064,023

Drinking Water State Revolving Fund	1996 Economic Development Site Fund	Emergency Flood Control Fund	Emergency Medical Technician Training Fund	Emergency Services Fund
$ 6,634,644	$ 44,923	$ 12,788	$ 105,285	$ 9,400
46,257,551	1,484,432	359,001	7,044,828	11,786,862
--	--	--	160,000	--
136,797,490	1,923,937	--	--	10,000
--	--	--	--	--
105,880	--	--	--	--
--	--	--	--	--
$ 189,795,565	$ 3,453,292	$ 371,789	$ 7,310,113	$ 11,806,262
$ 201,828	$ --	$ --	$ 473,234	$ 48,460
105,880	--	--	--	--
--	--	18,545	365,989	--
--	--	--	--	--
307,708	--	18,545	839,223	48,460
29,798,112	--	--	638,743	2,223,172
136,797,490	1,923,937	--	--	10,000
10,849,701	1,529,355	353,244	5,832,147	9,524,630
--	--	--	--	--
12,042,554	--	--	--	--
189,487,857	3,453,292	353,244	6,470,890	11,757,802
$ 189,795,565	$ 3,453,292	$ 371,789	$ 7,310,113	$ 11,806,262

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Enterprise Zone Assistance Fund	1996 Environmental Cleanup Fund	1989 Farmland Preservation Fund
ASSETS			
Cash and cash equivalents	$ 999,174	$ 24,199	$ 28,472
Investments	286,125,717	3,916,072	109,935
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 287,124,891	$ 3,940,271	$ 138,407
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 2,351,259	$ 284,045	$ --
Deferred revenue	--	--	--
Due to other funds	18,257,286	--	--
Other	--	--	--
Total Liabilities	20,608,545	284,045	--
Fund Balances			
Reserved for:			
Encumbrances	121,047,091	10,615,855	55,717
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	145,469,255	--	82,690
Designated-unrealized gains	--	--	--
Undesignated	--	(6,959,629)	--
Total Fund Balances	266,516,346	3,656,226	138,407
Total Liabilities and Fund Balances	$ 287,124,891	$ 3,940,271	$ 138,407

1992 Farmland Preservation Fund	1995 Farmland Preservation Fund	Fund for Support of Free Public Schools	Garden State Farmland Preservation Trust Fund	Garden State Green Acres Preservation Trust Fund
$ --	$ 20,286	$ 7,126	$ 253,022	$ --
739,486	6,222,853	121,426,465	287,139,251	391,824,483
--	--	--	--	--
--	--	--	--	38,806,432
--	--	--	--	130,107
--	--	2,715,425	--	--
--	--	--	--	--
$ 739,486	$ 6,243,139	$ 124,149,016	$ 287,392,273	$ 430,761,022
$ 1,887	$ 1,702,624	$ --	$ 22,288,400	$ 4,578,163
--	--	--	--	--
--	--	5,985,090	2,367,362	4,873,038
--	--	--	--	--
1,887	1,702,624	5,985,090	24,655,762	9,451,201
--	1,705,987	--	14,063,605	241,849,302
--	--	101,487,935	--	38,806,432
737,599	2,834,528	--	210,788,963	140,654,087
--	--	89,167	--	--
--	--	16,586,824	37,883,943	--
737,599	4,540,515	118,163,926	262,736,511	421,309,821
$ 739,486	$ 6,243,139	$ 124,149,016	$ 287,392,273	$ 430,761,022

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Garden State Historic Preservation Trust Fund	Green Trust Fund	Gubernatorial Elections Fund
ASSETS			
Cash and cash equivalents	$ 412,885	$ 296,293	$ --
Investments	24,876,443	17,745,303	--
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	494,764
Loans	--	56,741,001	--
Other	--	253,619	--
Due from other funds	--	6,319,532	57,763
Other	--	--	--
Total Assets	$ 25,289,328	$ 81,355,748	$ 552,527
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 251,592	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	503,593	--	--
Other	--	--	--
Total Liabilities	755,185	--	--
Fund Balances			
Reserved for:			
Encumbrances	10,939,482	22,599,197	--
Other	--	56,741,001	--
Unreserved:			
Designated-continuing appropriations	13,424,187	--	--
Designated-unrealized gains	--	--	--
Undesignated	170,474	2,015,550	552,527
Total Fund Balances	24,534,143	81,355,748	552,527
Total Liabilities and Fund Balances	$ 25,289,328	$ 81,355,748	$ 552,527

Hazardous Discharge Fund of 1981	Hazardous Discharge Fund of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund	Higher Education Facility Renovation and Rehabilitation Fund
$ 710	$ 1,515,607	$ 1,086,706	$ 9,417,152	$ 2,253
190,056	16,878,206	101,469,416	172,615,472	433,353
--	--	102,134	8,268,323	--
--	--	--	--	--
--	--	8,302,494	--	--
--	680,707	12,400,939	40,808,736	--
--	--	--	--	--
$ 190,766	$ 19,074,520	$ 123,361,689	$ 231,109,683	$ 435,606
$ --	$ 1,017,764	$ 1,204,432	$ --	$ --
--	--	--	--	--
9,817	--	24,076,234	213,553,925	--
--	--	--	--	--
9,817	1,017,764	25,280,666	213,553,925	--
--	24,125,248	22,259,801	--	324,000
--	--	8,302,494	--	--
180,949	--	67,518,728	17,555,758	22,253
--	--	--	--	--
--	(6,068,492)	--	--	89,353
180,949	18,056,756	98,081,023	17,555,758	435,606
$ 190,766	$ 19,074,520	$ 123,361,689	$ 231,109,683	$ 435,606

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund
ASSETS			
Cash and cash equivalents	$ 20,913	$ 33,263	$ 388,103
Investments	201,846	385,660	3,863,152
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	104,776
Other	--	--	1,074
Due from other funds	9,571	31,878	--
Other	--	--	--
Total Assets	$ 232,330	$ 450,801	$ 4,357,105
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 156,987	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	695,571	1,019,209	--
Other	--	--	--
Total Liabilities	852,558	1,019,209	--
Fund Balances			
Reserved for:			
Encumbrances	2,104,295	1,344,069	--
Other	--	--	104,776
Unreserved:			
Designated-continuing appropriations	--	--	3,496,269
Designated-unrealized gains	--	--	--
Undesignated	(2,724,523)	(1,912,477)	756,060
Total Fund Balances	(620,228)	(568,408)	4,357,105
Total Liabilities and Fund Balances	$ 232,330	$ 450,801	$ 4,357,105

Horse Racing Injury Compensation Fund	Housing Assistance Fund	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund	Korean Veterans' Memorial Fund
$ 258,870	$ 605,004	$ 10,546	$ 5,540	$ --
4,184,521	4,344,982	2,301,336	9,639	--
--	--	--	--	7,844
--	2,213,325	--	--	--
--	3,315	--	--	--
--	--	--	--	--
--	--	--	--	--
$ 4,443,391	$ 7,166,626	$ 2,311,882	$ 15,179	$ 7,844
$ --	$ --	$ --	$ 10,605	$ --
--	--	--	--	--
--	228,322	226,963	1,222	--
--	--	--	--	--
--	228,322	226,963	11,827	--
--	--	1,233,027	--	--
--	2,213,325	--	--	--
4,443,391	4,324,685	728,959	3,352	7,844
--	--	--	--	--
--	400,294	122,933	--	--
4,443,391	6,938,304	2,084,919	3,352	7,844
$ 4,443,391	$ 7,166,626	$ 2,311,882	$ 15,179	$ 7,844

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	1996 Lake Restoration Fund	Lead Hazard Contol Assistance Fund	Luxury Tax Fund
ASSETS			
Cash and cash equivalents	$ 90,530	$ 211,015	$ 6,450
Investments	1,256,551	11,089,013	88,396
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	5,037,834
Loans	1,003,069	--	--
Other	5,104	2,032,140	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 2,355,254	$ 13,332,168	$ 5,132,680
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 54,949	$ 84	$ 5,040,858
Deferred revenue	--	--	--
Due to other funds	--	386,508	--
Other	--	--	--
Total Liabilities	54,949	386,592	5,040,858
Fund Balances			
Reserved for:			
Encumbrances	110,716	1,758,869	--
Other	1,003,069	--	--
Unreserved:			
Designated-continuing appropriations	1,186,520	11,186,707	91,822
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	2,300,305	12,945,576	91,822
Total Liabilities and Fund Balances	$ 2,355,254	$ 13,332,168	$ 5,132,680

Medical Malpractice Liability Insurance Premium Assistance Fund	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund	Natural Resources Fund	New Home Warranty Security Fund
$ 2,468,695	$ 6,717	$ 68,135	$ 20,705	$ 1,711,859
22,501,917	4,247,874	--	3,501,865	32,852,052
--	--	--	--	--
--	9,782,668	--	7,541	--
295,275	643,496	--	377	--
--	--	--	--	--
--	--	--	--	--
$ 25,265,887	$ 14,680,755	$ 68,135	$ 3,530,488	$ 34,563,911
$ 26,879	$ --	$ --	$ --	$ --
--	--	--	--	--
6,627,519	1,156,810	--	161,165	5,011,000
--	--	--	--	--
6,654,398	1,156,810	--	161,165	5,011,000
2,460	--	--	1,212,674	--
--	9,782,668	--	7,541	--
18,609,029	1,006,829	68,135	2,149,108	29,552,911
--	--	--	--	--
--	2,734,448	--	--	--
18,611,489	13,523,945	68,135	3,369,323	29,552,911
$ 25,265,887	$ 14,680,755	$ 68,135	$ 3,530,488	$ 34,563,911

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	New Jersey Building Authority	1995 New Jersey Coastal Blue Acres Trust Fund	New Jersey Cultural Trust Fund
ASSETS			
Cash and cash equivalents	$ 6,337,889	$ 177,442	$ 742,220
Investments	79,093,687	2,304,493	22,169,470
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	880,785	--
Other	--	5,484	176,696
Due from other funds	--	--	--
Other	78,271	--	--
Total Assets	$ 85,509,847	$ 3,368,204	$ 23,088,386
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 4,181,066	$ --	$ 399,333
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	2,540,301	--	--
Total Liabilities	6,721,367	--	399,333
Fund Balances			
Reserved for:			
Encumbrances	--	--	359,901
Other	--	880,785	--
Unreserved:			
Designated-continuing appropriations	78,788,480	2,487,419	22,329,152
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	78,788,480	3,368,204	22,689,053
Total Liabilities and Fund Balances	$ 85,509,847	$ 3,368,204	$ 23,088,386

1983 New Jersey Green Acres Fund	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund	1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund
$ 777	$ 195,669	$ 504,963	$ 513,827	$ 3,872,144
20,709,721	5,659,284	769,575	2,445,931	41,732,680
--	--	--	--	--
--	--	--	--	51,123,705
--	--	--	--	288,498
--	--	--	--	--
--	--	--	--	--
$ 20,710,498	$ 5,854,953	$ 1,274,538	$ 2,959,758	$ 97,017,027
$ --	$ --	$ 1,470	$ 32,184	$ --
--	--	--	--	--
1,069,876	--	--	--	--
--	--	--	--	--
1,069,876	--	1,470	32,184	--
224	1,436,444	58,257	622,542	15,701,985
--	--	--	--	51,123,705
--	1,791,519	137,000	402,766	22,173,743
--	--	--	--	--
19,640,398	2,626,990	1,077,811	1,902,266	8,017,594
19,640,622	5,854,953	1,273,068	2,927,574	97,017,027
$ 20,710,498	$ 5,854,953	$ 1,274,538	$ 2,959,758	$ 97,017,027

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund
ASSETS			
Cash and cash equivalents	$ 1,279,969	$ 532,151	$ 10,507
Investments	22,645,543	25,648,048	1,007,190
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	30,156,734	46,140,599	--
Other	148,995	240,159	--
Due from other funds	--	--	--
Other	--	--	--
Total Assets	$ 54,231,241	$ 72,560,957	$ 1,017,697
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	--	--	--
Other	--	--	--
Total Liabilities	--	--	--
Fund Balances			
Reserved for:			
Encumbrances	19,846,117	9,157,209	10,000
Other	30,156,734	46,140,599	--
Unreserved:			
Designated-continuing appropriations	4,228,390	17,263,149	316,556
Designated-unrealized gains	--	--	--
Undesignated	--	--	691,141
Total Fund Balances	54,231,241	72,560,957	1,017,697
Total Liabilities and Fund Balances	$ 54,231,241	$ 72,560,957	$ 1,017,697

New Jersey Insolvent Health Maintenance Organization Assistance Fund	New Jersey Lawyers' Assistance Program	New Jersey Lawyers' Fund for Client Protection	New Jersey Local Development Financing Fund	New Jersey Racing Industry Special Fund
$ 27,192	$ 3,653	$ 1,800,962	$ --	$ 962,870
178,626	720,808	14,732,498	21,430,147	54,307
--	--	--	--	--
--	--	--	28,672,803	--
--	--	155,154	71,283	--
--	--	--	--	--
--	--	9,918	--	--
$ 205,818	$ 724,461	$ 16,698,532	$ 50,174,233	$ 1,017,177
$ --	$ 122,162	$ 317,835	$ --	$ --
--	--	--	--	--
205,818	--	--	--	--
--	--	--	--	--
205,818	122,162	317,835	--	--
--	--	--	--	--
--	--	--	28,672,803	--
--	602,299	16,380,697	21,501,430	1,017,177
--	--	--	--	--
--	--	--	--	--
--	602,299	16,380,697	50,174,233	1,017,177
$ 205,818	$ 724,461	$ 16,698,532	$ 50,174,233	$ 1,017,177

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	New Jersey Schools Construction Corporation	New Jersey Spill Compensation Fund	New Jersey Spinal Cord Research Fund
ASSETS			
Cash and cash equivalents	$ 3,181,492	$ 974,713	$ 76,970
Investments	893,549,754	36,481,451	15,037,953
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	666,523	7,021,618	--
Due from other funds	--	46,387	1,757,895
Other	--	--	--
Total Assets	$ 897,397,769	$ 44,524,169	$ 16,872,818
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 193,185,742	$ 141,708	$ --
Deferred revenue	--	--	--
Due to other funds	--	34,533,451	528,735
Other	75,224,889	--	--
Total Liabilities	268,410,631	34,675,159	528,735
Fund Balances			
Reserved for:			
Encumbrances	--	2,385,869	6,348,663
Other	2,873,341	6,988,899	--
Unreserved:			
Designated-continuing appropriations	626,113,797	--	9,995,420
Designated-unrealized gains	--	--	--
Undesignated	--	474,242	--
Total Fund Balances	628,987,138	9,849,010	16,344,083
Total Liabilities and Fund Balances	$ 897,397,769	$ 44,524,169	$ 16,872,818

New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund	Pinelands Infrastructure Trust Fund	Pollution Prevention Fund
$ --	$ 5,217,630	$ 3,305,154	$ 2,388,907	$ 145,325
222,949,614	98,991,883	4,047,762	4,746,438	1,325,464
--	26,745,320	--	--	1,423,049
--	--	1,500,000	3,210,921	--
--	--	--	46,759	--
33,500,000	2,664,948	--	--	373,439
--	--	--	--	--
$ 256,449,614	$ 133,619,781	$ 8,852,916	$ 10,393,025	$ 3,267,277
$ --	$ 5,781,720	$ 30,713	$ --	$ --
--	--	893,588	--	--
216,701,880	62,146,018	--	--	1,633,649
--	14,327	--	--	--
216,701,880	67,942,065	924,301	--	1,633,649
--	56,432,395	581,610	72,320	--
1,450,559	--	1,500,000	3,210,921	--
--	9,245,321	1,667,651	1,242,327	1,633,628
--	--	--	--	--
38,297,175	--	4,179,354	5,867,457	--
39,747,734	65,677,716	7,928,615	10,393,025	1,633,628
$ 256,449,614	$ 133,619,781	$ 8,852,916	$ 10,393,025	$ 3,267,277

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Real Estate Guaranty Fund	Resource Recovery and Solid Waste Disposal Facility Fund	Retail Margin Fund
ASSETS			
Cash and cash equivalents	$ 20,114	$ 33,533	$ 49,572
Investments	1,590,924	594,136	81,182,863
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	109,100	--	--
Other	--	--	--
Total Assets	$ 1,720,138	$ 627,669	$ 81,232,435
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 1,600	$ --	$ --
Deferred revenue	--	--	--
Due to other funds	--	--	152,209
Other	--	--	--
Total Liabilities	1,600	--	152,209
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	1,718,538	493,795	81,080,226
Designated-unrealized gains	--	--	--
Undesignated	--	133,874	--
Total Fund Balances	1,718,538	627,669	81,080,226
Total Liabilities and Fund Balances	$ 1,720,138	$ 627,669	$ 81,232,435

Safe Drinking Water Fund	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund	State Disability Benefit Fund	State Land Acquisition and Development Fund
$ 1,593,844	$ 1,736,296	$ 1,144,701	$ 9,069	$ 411
1,520,932	16,581,920	10,382,516	86,718,044	342,810
98,895	--	--	188,897,647	--
--	--	--	--	--
--	139,642	42,953	796,366	--
--	--	--	25,026,732	8,976
--	--	85,688	--	--
$ 3,213,671	$ 18,457,858	$ 11,655,858	$ 301,447,858	$ 352,197
$ --	$ 63,257	$ --	$ 43,227,498	$ 7,880
--	--	--	--	--
2,921,827	5,000,000	569,644	38,932,425	541,841
--	--	--	395,963	--
2,921,827	5,063,257	569,644	82,555,886	549,721
28,442	1,232,554	--	--	505,824
--	--	--	--	--
263,402	12,162,047	2,356,516	218,891,972	--
--	--	--	--	--
--	--	8,729,698	--	(703,348)
291,844	13,394,601	11,086,214	218,891,972	(197,524)
$ 3,213,671	$ 18,457,858	$ 11,655,858	$ 301,447,858	$ 352,197

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	State Recreation and Conservation Land Acquisition and Development Fund	State Recycling Fund	Stormwater Mangement and Combined Sewer Overflow Abatement Fund
ASSETS			
Cash and cash equivalents	$ 589	$ 297,919	$ 6,500
Investments	472,595	4,920,817	678,846
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	60,052	--
Loans	--	598,681	--
Other	--	--	--
Due from other funds	--	--	15,297
Other	--	--	--
Total Assets	$ 473,184	$ 5,877,469	$ 700,643
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 600	$ --
Deferred revenue	--	--	--
Due to other funds	24,542	--	1,949,941
Other	--	--	--
Total Liabilities	24,542	600	1,949,941
Fund Balances			
Reserved for:			
Encumbrances	--	35,810	5,109,726
Other	--	598,681	--
Unreserved:			
Designated-continuing appropriations	448,642	5,242,378	--
Designated-unrealized gains	--	--	--
Undesignated	--	--	(6,359,024)
Total Fund Balances	448,642	5,876,869	(1,249,298)
Total Liabilities and Fund Balances	$ 473,184	$ 5,877,469	$ 700,643

Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.	Tobacco Settlement Fund	Tourism Improvement and Development Fund
$ 1,660,372	$ --	$ 88,072,000	$ 442,576	$ 1,537
350,771,231	25,683,222	214,215,000	70,957,328	37,452
--	7,110,536	--	--	652,834
--	--	--	--	--
3,955	--	142,571,000	33,756,455	--
--	322,796	--	205,818	--
--	--	--	--	--
$ 352,435,558	$ 33,116,554	$ 444,858,000	$ 105,362,177	$ 691,823
$ 350,974,517	$ 1,642,217	$ 34,889,000	$ --	$ 563,329
--	--	142,192,000	--	--
--	4,078,339	--	15,674,305	125,158
--	--	--	--	--
350,974,517	5,720,556	177,081,000	15,674,305	688,487
--	15,787,465	--	--	--
--	--	267,777,000	--	--
1,461,041	11,608,533	--	89,687,872	3,336
--	--	--	--	--
--	--	--	--	--
1,461,041	27,395,998	267,777,000	89,687,872	3,336
$ 352,435,558	$ 33,116,554	$ 444,858,000	$ 105,362,177	$ 691,823

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
ASSETS			
Cash and cash equivalents	$ 3,430	$ 59,766	$ 111,506
Investments	143,362	2,548,138	3,347,653
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	--	--
Due from other funds	--	--	116,474
Other	--	--	--
Total Assets	$ 146,792	$ 2,607,904	$ 3,575,633
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 88,463	$ --	$ 475,210
Deferred revenue	--	--	--
Due to other funds	--	--	215,656
Other	--	--	--
Total Liabilities	88,463	--	690,866
Fund Balances			
Reserved for:			
Encumbrances	--	--	--
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	58,329	2,607,904	2,884,767
Designated-unrealized gains	--	--	--
Undesignated	--	--	--
Total Fund Balances	58,329	2,607,904	2,884,767
Total Liabilities and Fund Balances	$ 146,792	$ 2,607,904	$ 3,575,633

Unemployment Compensation Auxiliary Fund	Universal Services Fund	University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund	Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund
$ 154	$ 1,197,778	$ 1,445,160	$ 326,562	$ 12,618
39,799,368	69,830,767	12,256,886	8,084,241	298
--	--	2,150,000	--	78,559
--	--	--	12,965,582	--
6,200,000	18,373,486	--	--	--
77,640	--	--	--	--
--	--	--	--	--
$ 46,077,162	$ 89,402,031	$ 15,852,046	$ 21,376,385	$ 91,475
$ --	$ 8,341,164	$ 231,135	$ --	$ --
--	--	--	--	--
22,297,000	76,404,848	--	--	--
81,655	--	--	--	--
22,378,655	84,746,012	231,135	--	--
--	--	--	4,117,578	--
--	--	--	12,965,582	--
23,698,507	4,656,019	15,620,911	354,331	91,475
--	--	--	--	--
--	--	--	3,938,894	--
23,698,507	4,656,019	15,620,911	21,376,385	91,475
$ 46,077,162	$ 89,402,031	$ 15,852,046	$ 21,376,385	$ 91,475

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
ASSETS			
Cash and cash equivalents	$ 125,983	$ 317,307	$ 1,463,454
Investments	2,001,918	426,814,166	12,526,901
Receivables, net of allowances for uncollectibles			
Departmental accounts	--	--	--
Loans	1,150,651	609,160,389	16,693,776
Other	--	--	--
Due from other funds	--	587,624	--
Other	--	--	--
Total Assets	$ 3,278,552	$ 1,036,879,486	$ 30,684,131
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 50,000	$ --	$ --
Deferred revenue	--	5,183,624	--
Due to other funds	--	--	--
Other	--	--	--
Total Liabilities	50,000	5,183,624	--
Fund Balances			
Reserved for:			
Encumbrances	93,000	249,837,579	81,472
Other	1,150,651	609,160,389	16,693,776
Unreserved:			
Designated-continuing appropriations	1,984,901	95,364,427	13,908,883
Designated-unrealized gains	--	--	--
Undesignated	--	77,333,467	--
Total Fund Balances	3,228,552	1,031,695,862	30,684,131
Total Liabilities and Fund Balances	$ 3,278,552	$ 1,036,879,486	$ 30,684,131

Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund	2003 Water Resources and Wastewater Treatment Trust Fund	Water Supply Fund	Water Supply Replacement Trust Fund
$ 87,938	$ 210,104	$ --	$ 198,176	$ 951
743,625	912,196	150,729	119,413,899	69,941
--	--	--	--	--
--	8,582,514	--	61,425,319	--
--	--	--	149,219	--
--	342,235	276,879	--	--
--	--	--	--	--
$ 831,563	$ 10,047,049	$ 427,608	$ 181,186,613	$ 70,892
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
39,537	10,034,431	5,427,608	4,066,309	--
--	--	--	--	--
39,537	10,034,431	5,427,608	4,066,309	--
--	4,207,661	--	23,631,018	54,563
--	8,582,514	--	61,425,319	--
6,180	--	--	92,063,967	16,329
--	--	--	--	--
785,846	(12,777,557)	(5,000,000)	--	--
792,026	12,618	(5,000,000)	177,120,304	70,892
$ 831,563	$ 10,047,049	$ 427,608	$ 181,186,613	$ 70,892

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2007

	Worker and Community Right to Know Fund	Workers' Compensation Security Fund	Total Non-Major Special Revenue Funds
ASSETS			
Cash and cash equivalents	$ 114,569	$ 2,869,033	$ 185,394,098
Investments	2,749,071	27,638,916	4,940,113,391
Receivables, net of allowances for uncollectibles			
Departmental accounts	3,546,893	--	309,458,560
Loans	--	--	1,144,692,135
Other	--	156,113	241,405,106
Due from other funds	880,046	--	183,611,358
Other	--	--	173,877
Total Assets	$ 7,290,579	$ 30,664,062	$ 7,004,848,525
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ --	$ 749,181,724
Deferred revenue	--	--	157,336,092
Due to other funds	4,159,863	--	837,868,207
Other	--	--	78,257,135
Total Liabilities	4,159,863	--	1,822,643,158
Fund Balances			
Reserved for:			
Encumbrances	--	--	1,189,708,507
Other	--	--	1,533,572,363
Unreserved:			
Designated-continuing appropriations	3,130,716	30,664,062	2,424,519,624
Designated-unrealized gains	--	--	89,167
Undesignated	--	--	34,315,706
Total Fund Balances	3,130,716	30,664,062	5,182,205,367
Total Liabilities and Fund Balances	$ 7,290,579	$ 30,664,062	$ 7,004,848,525

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Alcohol Education, Rehabilitation and Enforcement Fund	Atlantic City Parking Fees Fund	Atlantic City Projects-Room Fund
REVENUES			
Taxes	$ 11,000,000	$ 31,230,243	$ 18,062,875
Federal and other grants	--	--	--
Licenses and fees	1,786,505	--	--
Services and assessments	--	--	--
Investment earnings	393,419	30,558	67,919
Contributions	--	--	--
Other	--	--	--
Total Revenues	13,179,924	31,260,801	18,130,794
EXPENDITURES			
Current:			
Public safety and criminal justice	1,663,523	--	--
Physical and mental health	10,393,909	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	31,132,912	17,714,419
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	12,057,432	31,132,912	17,714,419
Excess (deficiency) of revenues over expenditures	1,122,492	127,889	416,375
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	1,413,674
Transfers to other funds	(1,396,941)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(1,396,941)	--	1,413,674
Excess (deficiency) of revenues and other sources over expenditures and other uses	(274,449)	127,889	1,830,049
Fund balances - July 1, 2006	7,618,414	265,323	831
Fund balances - June 30, 2007	$ 7,343,965	$ 393,212	$ 1,830,880

Atlantic City Tourism Promotion Fund	Beaches and Harbor Fund	Board of Bar Examiners	Boarding House Rental Assistance Fund
$ 6,595,175	$ --	$ --	$ --
--	--	--	--
--	--	2,530,908	--
--	--	--	--
35,804	57,548	277,655	8,067
--	--	--	--
--	--	62,772	296,077
6,630,979	57,548	2,871,335	304,144
--	--	2,411,653	--
--	--	--	--
--	--	--	--
--	--	--	--
6,441,937	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
6,441,937	--	2,411,653	--
189,042	57,548	459,682	304,144
--	--	--	--
--	--	--	--
(1,413,674)	(85,807)	--	--
--	--	--	--
--	--	--	--
(1,413,674)	(85,807)	--	--
(1,224,632)	(28,259)	459,682	304,144
1,292,729	1,380,612	4,907,832	190,006
$ 68,097	$ 1,352,353	$ 5,367,514	$ 494,150

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Body Armor Replacement Fund	Capital City Redevelopment Loan and Grant Fund	Casino Control Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	75,431,694
Services and assessments	--	--	--
Investment earnings	259,267	15,549	214,015
Contributions	--	--	--
Other	4,250,796	48,456	--
Total Revenues	4,510,063	64,005	75,645,709
EXPENDITURES			
Current:			
Public safety and criminal justice	3,298,002	--	43,210,716
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	364,688	--	28,938,095
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	3,662,690	--	72,148,811
Excess (deficiency) of revenues over expenditures	847,373	64,005	3,496,898
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(75,000)	(68,207)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(75,000)	(68,207)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	772,373	(4,202)	3,496,898
Fund balances - July 1, 2006	7,152,391	1,649,160	75,921
Fund balances - June 30, 2007	$ 7,924,764	$ 1,644,958	$ 3,572,819

	Casino Revenue Fund	Casino Simulcasting Fund	Casino Simulcasting Special Fund	Catastrophic Illness in Children Relief Fund
$	446,078,487	$ --	$ --	$ --
	--	--	--	--
	--	--	--	--
	--	--	--	6,472,027
	3,473,858	5,322	258,490	300,320
	--	--	--	--
	9,508,953	545,631	5,554,905	27,631
	459,061,298	550,953	5,813,395	6,799,978
	--	--	6,216,375	--
	389,275,473	--	--	6,810
	31,749,515	--	--	--
	--	--	--	--
	2,440,000	--	--	--
	30,484,143	--	--	--
	--	--	--	--
	6,541	--	--	--
	--	--	--	--
	--	--	--	--
	453,955,672	--	6,216,375	6,810
	5,105,626	550,953	(402,980)	6,793,168
	--	--	--	--
	550,953	--	--	--
	--	(550,953)	--	(8,484,612)
	--	--	--	--
	--	--	--	--
	550,953	(550,953)	--	(8,484,612)
	5,656,579	--	(402,980)	(1,691,444)
	48,813,085	--	4,602,504	5,691,886
$	54,469,664	$ --	$ 4,199,524	$ 4,000,442

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Clean Communities Account Fund	Clean Energy Fund	Clean Waters Fund
REVENUES			
Taxes	$ 17,434,945	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	187,267,143	--
Investment earnings	274,461	6,622,040	6,969
Contributions	--	--	--
Other	--	--	--
Total Revenues	17,709,406	193,889,183	6,969
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	13,136,122	--	--
Economic planning, development, and security	--	173,669,039	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	14,246
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	13,136,122	173,669,039	14,246
Excess (deficiency) of revenues over expenditures	4,573,284	20,220,144	(7,277)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	7,277
Transfers to other funds	(4,000,000)	(3,129,399)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(4,000,000)	(3,129,399)	7,277
Excess (deficiency) of revenues and other sources over expenditures and other uses	573,284	17,090,745	--
Fund balances - July 1, 2006	3,592,731	122,286,846	(114,041)
Fund balances - June 30, 2007	$ 4,166,015	$ 139,377,591	$ (114,041)

Cultural Centers and Historic Preservation Fund	2003 Dam, Lake and Stream Project Revolving Loan Fund	2003 Dam, Lake, Stream and Flood Control Project Fund	1992 Dam Restoration and Clean Waters Trust Fund
$ --	$ --	$ --	$ --
--	--	--	--
--	--	--	--
--	--	--	--
72,914	44,559	52,425	313,389
--	--	--	--
--	5,884	--	333,401
72,914	50,443	52,425	646,790
--	--	--	--
--	--	--	--
255,021	--	--	--
--	85,000	3,283,391	--
61,514	--	--	--
--	--	--	--
--	429,129	178,578	--
--	--	--	--
--	--	--	--
--	--	--	--
316,535	514,129	3,461,969	--
(243,621)	(463,686)	(3,409,544)	646,790
--	--	--	--
--	384,570	126,153	--
(1,231,980)	--	--	--
--	--	--	--
--	--	--	--
(1,231,980)	384,570	126,153	--
(1,475,601)	(79,116)	(3,283,391)	646,790
(3,871,561)	(129,000)	(762,069)	16,619,117
$ (5,347,162)	$ (208,116)	$ (4,045,460)	$ 17,265,907

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	1989 Development Potential Bank Transfer Fund	Developmental Disabilities Waiting List Reduction Fund	Disciplinary Oversight Committee
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	8,829,638
Services and assessments	--	--	--
Investment earnings	352,866	574,051	277,039
Contributions	--	--	--
Other	--	--	356,142
Total Revenues	352,866	574,051	9,462,819
EXPENDITURES			
Current:			
Public safety and criminal justice	--	10,054	9,274,552
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	9,580,916	--
Community development and environmental management	60,000	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	60,000	9,590,970	9,274,552
Excess (deficiency) of revenues over expenditures	292,866	(9,016,919)	188,267
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(91,732)	(574,051)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(91,732)	(574,051)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	201,134	(9,590,970)	188,267
Fund balances - July 1, 2006	6,599,575	16,365,472	2,310,685
Fund balances - June 30, 2007	$ 6,800,709	$ 6,774,502	$ 2,498,952

Division of Motor Vehicles Surcharge Fund	Dredging and Containment Facility Fund	Drinking Water State Revolving Fund	1996 Economic Development Site Fund
$ --	$ --	$ --	$ --
--	--	11,772,457	--
--	--	--	--
173,490,170	--	--	--
489,886	1,443,916	2,991,219	78,799
--	--	--	--
--	361,475	--	--
173,980,056	1,805,391	14,763,676	78,799
3,802,313	--	--	--
--	--	--	--
--	--	--	--
--	64,000	--	--
--	--	--	108,685
--	5,755,880	--	--
170,509,518	--	--	--
--	--	--	--
--	--	--	--
--	--	--	--
174,311,831	5,819,880	--	108,685
(331,775)	(4,014,489)	14,763,676	(29,886)
--	--	--	--
--	--	6,009,861	--
--	(568,847)	(3,043,795)	--
--	--	--	--
--	--	--	--
--	(568,847)	2,966,066	--
(331,775)	(4,583,336)	17,729,742	(29,886)
331,775	29,980,042	171,758,115	3,483,178
$ --	$ 25,396,706	$ 189,487,857	$ 3,453,292

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Emergency Flood Control Fund	Emergency Medical Technician Training Fund	Emergency Services Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	2,160,429	--
Investment earnings	18,544	375,009	645,805
Contributions	--	--	--
Other	--	--	--
Total Revenues	18,544	2,535,438	645,805
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	1,219,046
Physical and mental health	--	2,757,975	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	152,794
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	2,757,975	1,371,840
Excess (deficiency) of revenues over expenditures	18,544	(222,537)	(726,035)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(18,544)	(365,991)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(18,544)	(365,991)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(588,528)	(726,035)
Fund balances - July 1, 2006	353,244	7,059,418	12,483,837
Fund balances - June 30, 2007	$ 353,244	$ 6,470,890	$ 11,757,802

Enterprise Zone Assistance Fund	1996 Environmental Cleanup Fund	1989 Farmland Preservation Fund	1992 Farmland Preservation Fund	1995 Farmland Preservation Fund
$ 82,997,261	$ --	$ --	$ --	$ --
2,322,822	--	--	--	--
21,000	--	--	--	--
--	--	--	--	--
14,603,095	209,283	6,989	41,588	348,042
--	--	--	--	--
--	--	--	--	6
99,944,178	209,283	6,989	41,588	348,048
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
8,877,187	540,295	24,105	141,086	2,565,958
55,584,332	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
64,461,519	540,295	24,105	141,086	2,565,958
35,482,659	(331,012)	(17,116)	(99,498)	(2,217,910)
--	--	--	--	--
--	--	--	--	--
(18,257,286)	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(18,257,286)	--	--	--	--
17,225,373	(331,012)	(17,116)	(99,498)	(2,217,910)
249,290,973	3,987,238	155,523	837,097	6,758,425
$ 266,516,346	$ 3,656,226	$ 138,407	$ 737,599	$ 4,540,515

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Fund for Support of Free Public Schools	Garden State Farmland Preservation Trust Fund	Garden State Green Acres Preservation Trust Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	63,204	1,100,944
Licenses and fees	9,179,611	--	--
Services and assessments	--	--	--
Investment earnings	6,067,198	17,194,179	22,360,317
Contributions	--	--	--
Other	--	2,272,209	799,964
Total Revenues	15,246,809	19,529,592	24,261,225
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	124,918,448	123,703,630
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	124,918,448	123,703,630
Excess (deficiency) of revenues over expenditures	15,246,809	(105,388,856)	(99,442,405)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	15,054,656	22,581,984
Transfers to other funds	(12,449,276)	(2,367,362)	(4,873,038)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(12,449,276)	12,687,294	17,708,946
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,797,533	(92,701,562)	(81,733,459)
Fund balances - July 1, 2006	115,366,393	355,438,073	503,043,280
Fund balances - June 30, 2007	$ 118,163,926	$ 262,736,511	$ 421,309,821

Garden State Historic Preservation Trust Fund	Garden State Preservation Trust	Green Trust Fund	Gubernatorial Elections Fund	Hazardous Discharge Fund of 1981
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,100,042	--	949,183	--	9,817
--	--	--	--	--
--	--	1,546,942	552,527	--
1,100,042	--	2,496,125	552,527	9,817
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	7,016,949	--	--
4,723,069	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	57,463,023	--	--	--
4,723,069	57,463,023	7,016,949	--	--
(3,623,027)	(57,463,023)	(4,520,824)	552,527	9,817
--	--	--	--	--
6,268,717	101,368,380	1,000,000	--	--
(503,593)	(43,905,357)	--	--	(9,817)
--	--	--	--	--
--	--	--	--	--
5,765,124	57,463,023	1,000,000	--	(9,817)
2,142,097	--	(3,520,824)	552,527	--
22,392,046	--	84,876,572	--	180,949
$ 24,534,143	$ --	$ 81,355,748	$ 552,527	$ 180,949

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Hazardous Discharge Fund of 1986	Hazardous Discharge Site Cleanup Fund	Health Care Subsidy Fund
REVENUES			
Taxes	$ --	$ --	$ 381,193,248
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	18,885,074	180,440,986
Investment earnings	878,866	4,984,522	4,815,286
Contributions	--	--	--
Other	--	--	--
Total Revenues	878,866	23,869,596	566,449,520
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	2,000,000
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	8,981,488	6,916,734	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	8,981,488	6,916,734	2,000,000
Excess (deficiency) of revenues over expenditures	(8,102,622)	16,952,862	564,449,520
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	9,476,496	15,201,032	90,460,171
Transfers to other funds	--	(25,974,409)	(644,398,608)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	9,476,496	(10,773,377)	(553,938,437)
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,373,874	6,179,485	10,511,083
Fund balances - July 1, 2006	16,682,882	91,901,538	7,044,675
Fund balances - June 30, 2007	$ 18,056,756	$ 98,081,023	$ 17,555,758

Higher Education Facility Renovation and Rehabilitation Fund	1992 Historic Preservation Fund	1995 Historic Preservation Fund	Historic Preservation Revolving Loan Fund	Horse Racing Injury Compensation Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	936,408
35,663	4,770	22,959	197,582	231,147
--	--	--	--	--
--	--	--	7,084	--
35,663	4,770	22,959	204,666	1,167,555
--	--	--	--	1,683,495
--	--	--	--	--
519,279	--	--	--	--
--	--	--	--	--
--	576,540	76,181	--	--
--	--	--	--	--
--	14,342	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
519,279	590,882	76,181	--	1,683,495
(483,616)	(586,112)	(53,222)	204,666	(515,940)
--	--	--	--	--
--	9,571	31,878	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	9,571	31,878	--	--
(483,616)	(576,541)	(21,344)	204,666	(515,940)
919,222	(43,687)	(547,064)	4,152,439	4,959,331
$ 435,606	$ (620,228)	$ (568,408)	$ 4,357,105	$ 4,443,391

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Housing Assistance Fund	Jobs, Education and Competitiveness Fund	Jobs, Science and Technology Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	224,997	226,963	1,222
Contributions	--	--	--
Other	3,325	--	--
Total Revenues	228,322	226,963	1,222
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	3,960,237	20,758
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	3,960,237	20,758
Excess (deficiency) of revenues over expenditures	228,322	(3,733,274)	(19,536)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(228,322)	(226,963)	(1,222)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(228,322)	(226,963)	(1,222)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(3,960,237)	(20,758)
Fund balances - July 1, 2006	6,938,304	6,045,156	24,110
Fund balances - June 30, 2007	$ 6,938,304	$ 2,084,919	$ 3,352

Korean Veterans' Memorial Fund	1996 Lake Restoration Fund	Lead Hazard Contol Assistance Fund	Legal Services Fund	Luxury Tax Fund
$ --	$ --	$ --	$ --	$ 28,346,333
--	--	--	--	--
--	--	1,730,162	10,905,398	--
--	--	--	--	--
6	75,961	580,774	--	4,521
9,028	--	--	--	--
--	103,333	--	--	--
9,034	179,294	2,310,936	10,905,398	28,350,854
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	395,703	--	--	--
--	--	1,854,366	--	--
--	--	--	--	--
--	--	--	--	28,346,333
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	395,703	1,854,366	--	28,346,333
9,034	(216,409)	456,570	10,905,398	4,521
--	--	--	--	--
--	--	2,000,000	--	--
(8,430)	--	(386,508)	(10,905,398)	--
--	--	--	--	--
--	--	--	--	--
(8,430)	--	1,613,492	(10,905,398)	--
604	(216,409)	2,070,062	--	4,521
7,240	2,516,714	10,875,514	--	87,301
$ 7,844	$ 2,300,305	$ 12,945,576	$ --	$ 91,822

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Medical Malpractice Liability Insurance Premium Assistance Fund	Mortgage Assistance Fund	Municipal Landfill Closure and Remediation Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	1,989,275	--	--
Services and assessments	21,509,670	--	--
Investment earnings	1,331,773	210,984	--
Contributions	--	--	--
Other	--	643,486	3,463,879
Total Revenues	24,830,718	854,470	3,463,879
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	3,463,879
Economic planning, development, and security	16,572,034	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	61,548	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	16,633,582	--	3,463,879
Excess (deficiency) of revenues over expenditures	8,197,136	854,470	--
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(7,646,415)	(1,156,810)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(7,646,415)	(1,156,810)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	550,721	(302,340)	--
Fund balances - July 1, 2006	18,060,768	13,826,285	68,135
Fund balances - June 30, 2007	$ 18,611,489	$ 13,523,945	$ 68,135

Natural Resources Fund	New Home Warranty Security Fund	New Jersey Building Authority	1995 New Jersey Coastal Blue Acres Trust Fund	New Jersey Cultural Trust Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	1,042,017	--	--	--
--	8,285,769	--	--	--
161,014	1,535,190	3,267,294	120,356	751,805
--	--	--	--	--
151	272,100	--	26,343	--
161,165	11,135,076	3,267,294	146,699	751,805
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
133,061	1,265,863	--	243,375	--
--	--	--	--	--
--	--	--	--	--
--	--	21,589,853	--	1,096,910
--	--	--	--	--
--	--	42,607,452	--	--
--	--	21,785,947	--	--
133,061	1,265,863	85,983,252	243,375	1,096,910
28,104	9,869,213	(82,715,958)	(96,676)	(345,105)
--	--	48,745,000	--	--
--	--	63,769,876	--	720,000
(161,165)	(5,011,000)	--	--	--
--	--	1,072,908	--	--
--	--	--	--	--
(161,165)	(5,011,000)	113,587,784	--	720,000
(133,061)	4,858,213	30,871,826	(96,676)	374,895
3,502,384	24,694,698	47,916,654	3,464,880	22,314,158
$ 3,369,323	$ 29,552,911	$ 78,788,480	$ 3,368,204	$ 22,689,053

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	1983 New Jersey Green Acres Fund	1989 New Jersey Green Acres Fund	1992 New Jersey Green Acres Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	1,069,876	289,446	39,360
Contributions	--	--	--
Other	--	--	--
Total Revenues	1,069,876	289,446	39,360
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	5,323	16,966	113,412
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	5,323	16,966	113,412
Excess (deficiency) of revenues over expenditures	1,064,553	272,480	(74,052)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(1,069,876)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(1,069,876)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,323)	272,480	(74,052)
Fund balances - July 1, 2006	19,645,945	5,582,473	1,347,120
Fund balances - June 30, 2007	$ 19,640,622	$ 5,854,953	$ 1,273,068

1995 New Jersey Green Acres Fund	1989 New Jersey Green Trust Fund	1992 New Jersey Green Trust Fund	1995 New Jersey Green Trust Fund	1995 New Jersey Inland Blue Acres Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
154,888	2,135,626	1,158,238	1,411,082	51,513
--	--	--	--	--
534,000	1,104,666	646,341	1,473,243	--
688,888	3,240,292	1,804,579	2,884,325	51,513
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,761,276	2,778,466	1,225,042	5,814,118	13,809
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
1,761,276	2,778,466	1,225,042	5,814,118	13,809
(1,072,388)	461,826	579,537	(2,929,793)	37,704
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
(1,072,388)	461,826	579,537	(2,929,793)	37,704
3,999,962	96,555,201	53,651,704	75,490,750	979,993
$ 2,927,574	$ 97,017,027	$ 54,231,241	$ 72,560,957	$ 1,017,697

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	New Jersey Insolvent Health Maintenance Organization Assistance Fund	New Jersey Lawyers' Assistance Program	New Jersey Lawyers' Fund for Client Protection
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	669,602	3,561,161
Services and assessments	18,930,314	--	--
Investment earnings	940,555	22,459	694,027
Contributions	--	--	--
Other	--	--	1,165,711
Total Revenues	19,870,869	692,061	5,420,899
EXPENDITURES			
Current:			
Public safety and criminal justice	--	459,692	3,407,281
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	29,811,624	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	29,811,624	459,692	3,407,281
Excess (deficiency) of revenues over expenditures	(9,940,755)	232,369	2,013,618
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(8,689,183)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(8,689,183)	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(18,629,938)	232,369	2,013,618
Fund balances - July 1, 2006	18,629,938	369,930	14,367,079
Fund balances - June 30, 2007	$ --	$ 602,299	$ 16,380,697

New Jersey Local Development Financing Fund	New Jersey Racing Industry Special Fund	New Jersey Schools Construction Corporation	New Jersey Spill Compensation Fund	New Jersey Spinal Cord Research Fund
$ --	$ --	$ --	$ 23,241,978	$ --
--	--	--	--	--
29,886	--	30,750	9,128,718	--
--	636,749	--	--	--
968,511	2,778	39,701,591	1,579,322	785,423
--	--	--	--	--
1,142,378	4,218,017	416,244	2,000,887	4,151,649
2,140,775	4,857,544	40,148,585	35,950,905	4,937,072
--	4,658,581	--	--	--
--	--	--	--	3,577,476
--	--	1,095,581,036	--	--
--	--	--	4,530,579	--
385,007	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
385,007	4,658,581	1,095,581,036	4,530,579	3,577,476
1,755,768	198,963	(1,055,432,451)	31,420,326	1,359,596
--	--	--	--	--
--	--	600,000,000	--	--
--	--	--	(34,533,451)	(528,735)
--	--	--	--	--
--	--	--	--	--
--	--	600,000,000	(34,533,451)	(528,735)
1,755,768	198,963	(455,432,451)	(3,113,125)	830,861
48,418,465	818,214	1,084,419,589	12,962,135	15,513,222
$ 50,174,233	$ 1,017,177	$ 628,987,138	$ 9,849,010	$ 16,344,083

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	New Jersey Transportation Trust Fund Authority	New Jersey Workforce Development Partnership Fund	Petroleum Overcharge Reimbursement Fund
REVENUES			
Taxes	$ --	$ 93,676,775	$ --
Federal and other grants	--	--	224,925
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	42,071,243	4,687,125	210,058
Contributions	--	--	--
Other	--	--	99
Total Revenues	42,071,243	98,363,900	435,082
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	481,976
Economic planning, development, and security	--	45,021,114	--
Transportation programs	965,106	--	--
Government direction, management, and control	--	--	196,764
Special government services	--	--	--
Debt Service:			
Principal	217,805,000	--	--
Interest	368,789,904	--	--
Total Expenditures	587,560,010	45,021,114	678,740
Excess (deficiency) of revenues over expenditures	(545,488,767)	53,342,786	(243,658)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	895,000,000	--	--
Transfers to other funds	(1,441,319,063)	(67,265,809)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(546,319,063)	(67,265,809)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,091,807,830)	(13,923,023)	(243,658)
Fund balances - July 1, 2006	1,131,555,564	79,600,739	8,172,273
Fund balances - June 30, 2007	$ 39,747,734	$ 65,677,716	$ 7,928,615

Pinelands Infrastructure Trust Fund	Pollution Prevention Fund	Real Estate Guaranty Fund	Resource Recovery and Solid Waste Disposal Facility Fund	Retail Margin Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	109,100	--	--
--	1,823,487	--	--	17,150,060
242,758	44,007	65,041	30,388	1,681,825
--	--	--	--	--
122,594	--	--	--	--
365,352	1,867,494	174,141	30,388	18,831,885
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	74,832	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	74,832	--	--
365,352	1,867,494	99,309	30,388	18,831,885
--	--	--	--	--
--	--	--	--	--
--	(1,633,649)	--	--	(152,209)
--	--	--	--	--
--	--	--	--	--
--	(1,633,649)	--	--	(152,209)
365,352	233,845	99,309	30,388	18,679,676
10,027,673	1,399,783	1,619,229	597,281	62,400,550
$ 10,393,025	$ 1,633,628	$ 1,718,538	$ 627,669	$ 81,080,226

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Safe Drinking Water Fund	Sanitary Landfill Facility Contingency Fund	Shore Protection Fund
REVENUES			
Taxes	$ 2,992,211	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	1,966,893	--
Investment earnings	116,961	847,066	540,731
Contributions	--	--	--
Other	--	--	28,914
Total Revenues	3,109,172	2,813,959	569,645
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	114,114	605,818	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	114,114	605,818	--
Excess (deficiency) of revenues over expenditures	2,995,058	2,208,141	569,645
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	(2,921,827)	(5,000,000)	(569,645)
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(2,921,827)	(5,000,000)	(569,645)
Excess (deficiency) of revenues and other sources over expenditures and other uses	73,231	(2,791,859)	--
Fund balances - July 1, 2006	218,613	16,186,460	11,086,214
Fund balances - June 30, 2007	$ 291,844	$ 13,394,601	$ 11,086,214

State Disability Benefit Fund	State Land Acquisition and Development Fund	State Recreation and Conservation Land Acquisition and Development Fund	State Recycling Fund	Stormwater Managememt and Combined Sewer Overflow Abatement Fund
$ 534,493,057	$ --	$ --	$ --	$ --
--	--	--	--	--
--	--	--	--	--
28,644,319	--	--	--	--
4,247,323	18,568	24,542	136,157	34,644
--	--	--	--	--
1,003,909	--	--	38,141	--
568,388,608	18,568	24,542	174,298	34,644
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	78,779	--	4,502,319	1,869,608
470,401,539	--	--	--	--
--	--	--	--	--
--	27,544	--	--	49,941
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
470,401,539	106,323	--	4,502,319	1,919,549
97,987,069	(87,755)	24,542	(4,328,021)	(1,884,905)
--	--	--	--	--
--	8,976	--	4,000,000	15,297
(87,061,020)	--	(24,542)	--	--
--	--	--	--	--
--	--	--	--	--
(87,061,020)	8,976	(24,542)	4,000,000	15,297
10,926,049	(78,779)	--	(328,021)	(1,869,608)
207,965,923	(118,745)	448,642	6,204,890	620,310
$ 218,891,972	$ (197,524)	$ 448,642	$ 5,876,869	$ (1,249,298)

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Superior Court of New Jersey Trust Fund	Supplemental Workforce Fund for Basic Skills	Tobacco Settlement Financing Corporation, Inc.
REVENUES			
Taxes	$ --	$ 26,323,014	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	18,252,411	1,455,728	14,857,000
Contributions	--	--	--
Other	--	--	147,326,000
Total Revenues	18,252,411	27,778,742	162,183,000
EXPENDITURES			
Current:			
Public safety and criminal justice	18,239,276	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	27,180,500	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	48,012,000
Special government services	--	--	--
Debt Service:			
Principal	--	--	43,545,000
Interest	--	--	158,122,000
Total Expenditures	18,239,276	27,180,500	249,679,000
Excess (deficiency) of revenues over expenditures	13,135	598,242	(87,496,000)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	--
Transfers to other funds	--	(4,239,780)	--
Other sources	--	--	3,622,208,000
Other uses	--	--	(3,634,332,000)
Total other financing sources (uses)	--	(4,239,780)	(12,124,000)
Excess (deficiency) of revenues and other sources over expenditures and other uses	13,135	(3,641,538)	(99,620,000)
Fund balances - July 1, 2006	1,447,906	31,037,536	367,397,000
Fund balances - June 30, 2007	$ 1,461,041	$ 27,395,998	$ 267,777,000

Tobacco Settlement Fund	Tourism Improvement and Development Fund	Trial Attorney Certification Program	Unclaimed Child Support Trust Fund	Unclaimed Utility Deposits Trust Fund
$ --	$ 4,866,722	$ --	$ --	$ --
--	--	--	--	--
--	--	223,420	--	--
--	--	--	--	--
1,109,469	1,897	6,215	115,757	215,656
--	--	--	--	--
89,482,054	--	7,145	70,838	2,474,510
90,591,523	4,868,619	236,780	186,595	2,690,166
--	--	269,128	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,741,565	--	--	--
--	--	--	--	--
--	--	--	12,295	4,444,537
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	4,741,565	269,128	12,295	4,444,537
90,591,523	127,054	(32,348)	174,300	(1,754,371)
--	--	--	--	--
8,689,183	--	--	--	--
(15,674,305)	(125,158)	--	--	(215,656)
--	--	--	--	--
--	--	--	--	--
(6,985,122)	(125,158)	--	--	(215,656)
83,606,401	1,896	(32,348)	174,300	(1,970,027)
6,081,471	1,440	90,677	2,433,604	4,854,794
$ 89,687,872	$ 3,336	$ 58,329	$ 2,607,904	$ 2,884,767

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Unemployment Compensation Auxiliary Fund	Universal Services Fund	University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	224,744,826	8,408,000
Investment earnings	1,517,621	2,714,449	667,665
Contributions	--	--	--
Other	29,675,940	--	--
Total Revenues	31,193,561	227,459,275	9,075,665
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	145,907,579	--
Economic planning, development, and security	--	--	11,454,754
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	145,907,579	11,454,754
Excess (deficiency) of revenues over expenditures	31,193,561	81,551,696	(2,379,089)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	--	18,000,000
Transfers to other funds	(22,297,000)	(79,381,963)	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(22,297,000)	(79,381,963)	18,000,000
Excess (deficiency) of revenues and other sources over expenditures and other uses	8,896,561	2,169,733	15,620,911
Fund balances - July 1, 2006	14,801,946	2,486,286	--
Fund balances - June 30, 2007	$ 23,698,507	$ 4,656,019	$ 15,620,911

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund	Vietnam Veterans' Memorial Fund	Volunteer Emergency Service Organizations Loan Fund	Wastewater Treatment Fund	1992 Wastewater Treatment Fund
$ --	$ --	$ --	$ --	$ --
--	--	--	70,464,777	--
--	--	--	--	--
--	--	--	--	--
416,608	15	75,385	23,296,559	680,660
--	91,177	--	--	--
18,417	--	30,094	--	--
435,025	91,192	105,479	93,761,336	680,660
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	17,248,822	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	71,577	--	--	--
--	--	--	--	--
--	--	--	--	--
--	71,577	--	17,248,822	--
435,025	19,615	105,479	76,512,514	680,660
--	--	--	--	--
--	--	--	--	--
--	--	--	(6,853,615)	--
--	--	--	--	--
--	--	--	--	--
--	--	--	(6,853,615)	--
435,025	19,615	105,479	69,658,899	680,660
20,941,360	71,860	3,123,073	962,036,963	30,003,471
$ 21,376,385	$ 91,475	$ 3,228,552	$ 1,031,695,862	$ 30,684,131

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Water Conservation Fund	2003 Water Resources and Wastewater Treatment Fund	2003 Water Resources and Wastewater Treatment Trust Fund
REVENUES			
Taxes	$ --	$ --	$ --
Federal and other grants	--	--	--
Licenses and fees	--	--	--
Services and assessments	--	--	--
Investment earnings	38,514	33,548	239
Contributions	--	--	--
Other	453	8,550	--
Total Revenues	38,967	42,098	239
EXPENDITURES			
Current:			
Public safety and criminal justice	--	--	--
Physical and mental health	--	--	--
Educational, cultural, and intellectual development	--	--	--
Community development and environmental management	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	375,783	277,118
Special government services	--	--	--
Debt Service:			
Principal	--	--	--
Interest	--	--	--
Total Expenditures	--	375,783	277,118
Excess (deficiency) of revenues over expenditures	38,967	(333,685)	(276,879)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	--	--	--
Transfers from other funds	--	342,235	276,879
Transfers to other funds	(39,537)	--	--
Other sources	--	--	--
Other uses	--	--	--
Total other financing sources (uses)	(39,537)	342,235	276,879
Excess (deficiency) of revenues and other sources over expenditures and other uses	(570)	8,550	--
Fund balances - July 1, 2006	792,596	4,068	(5,000,000)
Fund balances - June 30, 2007	$ 792,026	$ 12,618	$ (5,000,000)

Water Supply Fund	Water Supply Replacement Trust Fund	Worker and Community Right to Know Fund	Workers' Compensation Security Fund	Total Non-Major Special Revenue Funds
$ --	$ --	$ --	$ --	$ 1,708,532,324
--	--	--	--	85,949,129
--	--	--	--	127,198,845
--	--	4,393,545	37,634,944	943,780,813
6,163,486	3,577	128,163	1,490,794	281,829,618
--	--	--	--	100,205
648,312	--	--	--	318,832,578
6,811,798	3,577	4,521,708	39,125,738	3,466,223,512
--	--	--	--	99,823,687
--	--	--	--	408,011,643
--	--	--	--	1,141,666,762
3,331,982	--	--	--	496,369,056
--	--	--	26,410,827	926,436,790
--	--	--	--	37,205,129
--	--	--	--	304,877,674
--	--	--	--	139,666
--	--	--	--	303,957,452
--	--	--	--	606,160,874
3,331,982	--	--	26,410,827	4,324,648,733
3,479,816	3,577	4,521,708	12,714,911	(858,425,221)
--	--	--	--	48,745,000
--	--	--	--	1,862,767,819
(4,066,308)	--	(4,159,863)	--	(2,591,392,706)
--	--	--	--	3,623,280,908
--	--	--	--	(3,634,332,000)
(4,066,308)	--	(4,159,863)	--	(690,930,979)
(586,492)	3,577	361,845	12,714,911	(1,549,356,200)
177,706,796	67,315	2,768,871	17,949,151	6,731,561,567
$ 177,120,304	$ 70,892	$ 3,130,716	$ 30,664,062	$ 5,182,205,367

STATE OF NEW JERSEY
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
ASSETS			
Cash and cash equivalents	$ 14,097	$ 4,071	$ 6,202
Investments	606,295	767,119	288,389
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Departmental accounts	--	--	--
Loans	--	--	--
Other	--	104,901	--
Due from other funds	--	--	--
Total Assets	$ 620,392	$ 876,091	$ 294,591
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ --	$ 16,203	$ --
Due to other funds	31,319	45,782	14,897
Total Liabilities	31,319	61,985	14,897
Fund Balances			
Reserved for:			
Encumbrances	--	558,004	6,062
Other	--	--	--
Unreserved:			
Designated-continuing appropriations	589,073	256,102	273,632
Undesignated	--	--	--
Total Fund Balances	589,073	814,106	279,694
Total Liabilities and Fund Balances	$ 620,392	$ 876,091	$ 294,591

Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
$ 2,617	$ 7,339,802	$ 6,452
44,479	3,942,198	6,493,683
--	--	--
--	--	--
--	--	--
--	101,657,308	--
--	--	--
$ 47,096	$ 112,939,308	$ 6,500,135
$ 33,140	$ 853,789	$ --
2,307	10,000,000	335,436
35,447	10,853,789	335,436
--	5,884,696	1,509,279
--	--	--
11,649	96,200,823	4,655,420
--	--	--
11,649	102,085,519	6,164,699
$ 47,096	$ 112,939,308	$ 6,500,135

(Continued on next page)

STATE OF NEW JERSEY
COMBINING BALANCE SHEET (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2007

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
ASSETS			
Cash and cash equivalents	$ 23,207	$ 91,853	$ --
Investments	3,332,164	162,009	--
Receivables, net of allowances for uncollectibles			
Federal government	--	--	107,302,023
Departmental accounts	--	--	563,507
Loans	--	--	5,000,000
Other	--	--	20,545
Due from other funds	--	--	216,701,880
Total Assets	$ 3,355,371	$ 253,862	$ 329,587,955
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable and accruals	$ 1,831	$ --	$ 191,022,975
Due to other funds	192,852	8,369	138,564,980
Total Liabilities	194,683	8,369	329,587,955
Fund Balances			
Reserved for:			
Encumbrances	508,508	608	--
Other	--	--	5,000,000
Unreserved:			
Designated-continuing appropriations	2,652,180	244,885	--
Undesignated	--	--	(5,000,000)
Total Fund Balances	3,160,688	245,493	--
Total Liabilities and Fund Balances	$ 3,355,371	$ 253,862	$ 329,587,955

State Facilities for Handicapped Fund	1999 Statewide Transportation and Local Bridge Fund	Total Non-Major Capital Projects Funds
$ 1,846	$ 77,047	$ 7,567,194
13,764	28,115,973	43,766,073
--	--	107,302,023
--	--	563,507
--	--	5,000,000
--	--	101,782,754
--	--	216,701,880
$ 15,610	$ 28,193,020	$ 482,683,431
$ --	$ 323,209	$ 192,251,147
--	1,556,218	150,752,160
--	1,879,427	343,003,307
--	20,690,542	29,157,699
--	--	5,000,000
15,610	5,623,051	110,522,425
--	--	(5,000,000)
15,610	26,313,593	139,680,124
$ 15,610	$ 28,193,020	$ 482,683,431

STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Correctional Facilities Construction Fund	Correctional Facilities Construction Fund of 1987	Energy Conservation Fund
REVENUES			
Federal and other grants	$ --	$ --	$ --
Services and assessments	--	--	--
Investment earnings	31,319	45,782	14,897
Other	--	--	--
Total Revenues	31,319	45,782	14,897
EXPENDITURES			
Current:			
Public safety and criminal justice	--	106,903	--
Physical and mental health	--	--	--
Economic planning, development, and security	--	--	--
Transportation programs	--	--	--
Government direction, management, and control	--	--	--
Total Expenditures	--	106,903	--
Excess (deficiency) of revenues over expenditures	31,319	(61,121)	14,897
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	--	--	--
Transfers to other funds	(31,319)	(45,782)	(14,897)
Total other financing sources (uses)	(31,319)	(45,782)	(14,897)
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	(106,903)	--
Fund balances - July 1, 2006	589,073	921,009	279,694
Fund balances - June 30, 2007	$ 589,073	$ 814,106	$ 279,694

Human Services Facilities Construction Fund	Motor Vehicle Commission Fund	New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund
$ --	$ --	$ --
--	--	--
2,307	2,895,747	335,436
--	--	--
2,307	2,895,747	335,436
--	15,807,360	--
--	--	--
--	--	--
--	--	--
--	4,045	--
--	15,811,405	--
2,307	(12,915,658)	335,436
--	--	--
(2,307)	--	(335,436)
(2,307)	--	(335,436)
--	(12,915,658)	--
11,649	115,001,177	6,164,699
$ 11,649	$ 102,085,519	$ 6,164,699

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STATE OF NEW JERSEY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (Continued)
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Public Purpose Buildings and Community-Based Facilities Construction Fund	Public Purpose Buildings Construction Fund	Special Transportation Fund
REVENUES			
Federal and other grants	$ --	$ --	$ 903,705,839
Services and assessments	--	--	1,324,914
Investment earnings	192,852	8,369	--
Other	--	--	62,934
Total Revenues	192,852	8,369	905,093,687
EXPENDITURES			
Current:			
Public safety and criminal justice	410,368	--	--
Physical and mental health	287,651	--	--
Economic planning, development, and security	187,540	--	--
Transportation programs	--	--	2,346,412,752
Government direction, management, and control	--	--	--
Total Expenditures	885,559	--	2,346,412,752
Excess (deficiency) of revenues over expenditures	(692,707)	8,369	(1,441,319,065)
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	--	--	1,441,319,065
Transfers to other funds	(192,852)	(8,369)	--
Total other financing sources (uses)	(192,852)	(8,369)	1,441,319,065
Excess (deficiency) of revenues and other sources over expenditures and other uses	(885,559)	--	--
Fund balances - July 1, 2006	4,046,247	245,493	--
Fund balances - June 30, 2007	$ 3,160,688	$ 245,493	$ --

State Facilities for Handicapped Fund	1999 Statewide Transportation and Local Bridge Fund	Total Non-Major Capital Projects Funds
$ --	$ --	$ 903,705,839
--	--	1,324,914
704	1,556,218	5,083,631
--	--	62,934
704	1,556,218	910,177,318
--	--	16,324,631
--	--	287,651
--	--	187,540
--	3,321,872	2,349,734,624
--	--	4,045
--	3,321,872	2,366,538,491
704	(1,765,654)	(1,456,361,173)
--	--	1,441,319,065
--	(1,556,218)	(2,187,180)
--	(1,556,218)	1,439,131,885
704	(3,321,872)	(17,229,288)
14,906	29,635,465	156,909,412
$ 15,610	$ 26,313,593	$ 139,680,124

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
JUNE 30, 2007

	Alternate Benefit Program Fund	Dental Expense Program	Judiciary Bail Fund
ASSETS			
Cash and cash equivalents	$ --	$ --	$ 113,713
Investments	3,646,750	19,767,770	35,310,965
Receivables, net of allowances for uncollectibles			
Members	156,007	--	--
Employers	--	--	--
Departmental accounts	--	--	--
Other	--	--	41,822
Due from other funds	26,386,742	1,728,091	--
Total Assets	$ 30,189,499	$ 21,495,861	$ 35,466,500
LIABILITIES			
Accounts payable	$ 28,733,404	$ 21,419,233	35,466,500
Due to other funds	1,456,095	76,628	--
Total Liabilities	$ 30,189,499	$ 21,495,861	$ 35,466,500

Judiciary Child Support and Paternity Fund	Judiciary Probation Fund	Judiciary Special Civil Fund
$ 6,737,017	$ 154,105	$ 210,802
10,262,049	10,263,519	4,147,967
--	--	--
--	--	--
--	--	--
--	--	--
--	--	--
$ 16,999,066	$ 10,417,624	$ 4,358,769
$ 16,999,066	$ 10,417,624	$ 4,358,769
--	--	--
$ 16,999,066	$ 10,417,624	$ 4,358,769

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
AGENCY FUNDS
JUNE 30, 2007

	Luxury Tax Development Fund	Pension Adjustment Fund	Resource Recovery Investment Tax Fund
ASSETS			
Cash and cash equivalents	$ 6,138	$ 692,405	$ 100,299
Investments	10,038,242	3,225,781	441,886
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	1,801,378	--
Departmental accounts	--	--	--
Other	--	--	--
Due from other funds	--	10,237	--
Total Assets	$ 10,044,380	$ 5,729,801	$ 542,185
LIABILITIES			
Accounts payable	$ 10,044,380	$ 3,659,658	$ 542,185
Due to other funds	--	2,070,143	--
Total Liabilities	$ 10,044,380	$ 5,729,801	$ 542,185

Solid Waste Service Tax Fund	Wage and Hour Trust Fund	Total Agency Funds
$ 223,557	$ 1,016,551	$ 9,254,587
11,625,260	2,641,539	111,371,728
--	--	156,007
--	--	1,801,378
448,663	--	448,663
--	--	41,822
--	--	28,125,070
$ 12,297,480	$ 3,658,090	$ 151,199,255
$ 12,297,480	$ 3,591,874	$ 147,530,173
--	66,216	3,669,082
$ 12,297,480	$ 3,658,090	$ 151,199,255

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
ALTERNATE BENEFIT PROGRAM FUND				
Assets				
Cash and cash equivalents	$ 1,166,696	$ 125,706,092	$ 126,872,788	$ --
Investments	884,751	146,810,853	144,048,854	3,646,750
Receivables, net - members	404,509	255,051	503,553	156,007
Due from other funds	24,476,907	26,386,742	24,476,907	26,386,742
Total Assets	$ 26,932,863	$ 299,158,738	$ 295,902,102	$ 30,189,499
Liabilities				
Account payable	$ 23,829,812	$ 28,138,550	$ 23,234,958	$ 28,733,404
Due to other funds	3,103,051	3,275,456	4,922,412	1,456,095
Total Liabilities	$ 26,932,863	$ 31,414,006	$ 28,157,370	$ 30,189,499
DENTAL EXPENSE PROGRAM				
Assets				
Cash and cash equivalents	$ --	$ 36,485,351	$ 36,485,351	$ --
Investments	14,401,230	106,332,651	100,966,111	19,767,770
Receivables, net - other	230,742	--	230,742	--
Due from other funds	1,126,652	1,728,091	1,126,652	1,728,091
Total Assets	$ 15,758,624	$ 144,546,093	$ 138,808,856	$ 21,495,861
Liabilities				
Accounts payable	$ 15,703,256	$ 46,246,006	$ 40,530,029	$ 21,419,233
Due to other funds	55,368	76,628	55,368	76,628
Total Liabilities	$ 15,758,624	$ 46,322,634	$ 40,585,397	$ 21,495,861
JUDICIARY BAIL FUND				
Assets				
Cash and cash equivalents	$ 73,810	$ 127,108,573	$ 127,068,670	$ 113,713
Investments	33,118,058	19,901,928	17,709,021	35,310,965
Receivables, net - other	41,822	--	--	41,822
Total Assets	$ 33,233,690	$ 147,010,501	$ 144,777,691	$ 35,466,500
Liabilities				
Accounts payable	$ 33,233,690	$ 110,823,261	$ 108,590,451	$ 35,466,500
Total Liabilities	$ 33,233,690	$ 110,823,261	$ 108,590,451	$ 35,466,500

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
JUDICIARY CHILD SUPPORT AND PATERNITY FUND				
Assets				
Cash and cash equivalents	$ 3,799,853	$ 2,808,381,406	$ 2,805,444,242	$ 6,737,017
Investments	17,759,956	127,384,251	134,882,158	10,262,049
Total Assets	$ 21,559,809	$ 2,935,765,657	$ 2,940,326,400	$ 16,999,066
Liabilities				
Accounts payable	$ 21,559,809	$ 1,275,861,062	$ 1,280,421,805	$ 16,999,066
Total Liabilities	$ 21,559,809	$ 1,275,861,062	$ 1,280,421,805	$ 16,999,066
JUDICIARY PROBATION FUND				
Assets				
Cash and cash equivalents	$ 110,679	$ 77,328,906	$ 77,285,480	$ 154,105
Investments	10,467,518	20,224,337	20,428,336	10,263,519
Total Assets	$ 10,578,197	$ 97,553,243	$ 97,713,816	$ 10,417,624
Liabilities				
Accounts payable	$ 10,578,197	$ 56,956,380	$ 57,116,953	$ 10,417,624
Total Liabilities	$ 10,578,197	$ 56,956,380	$ 57,116,953	$ 10,417,624
JUDICIARY SPECIAL CIVIL FUND				
Assets				
Cash and cash equivalents	$ 100,625	$ 79,703,408	$ 79,593,231	$ 210,802
Investments	3,812,967	18,483,504	18,148,504	4,147,967
Total Assets	$ 3,913,592	$ 98,186,912	$ 97,741,735	$ 4,358,769
Liabilities				
Accounts payable	$ 3,913,592	$ 61,131,307	$ 60,686,130	$ 4,358,769
Total Liabilities	$ 3,913,592	$ 61,131,307	$ 60,686,130	$ 4,358,769

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
LUXURY TAX DEVELOPMENT FUND				
Assets				
Cash and cash equivalents	$ 341,561	$ 7,994,577	$ 8,330,000	$ 6,138
Investments	1,561,593	8,476,649	--	10,038,242
Total Assets	$ 1,903,154	$ 16,471,226	$ 8,330,000	$ 10,044,380
Liabilities				
Accounts payable	$ 1,903,154	$ 8,141,226	$ --	$ 10,044,380
Total Liabilities	$ 1,903,154	$ 8,141,226	$ --	$ 10,044,380
PENSION ADJUSTMENT FUND				
Assets				
Cash and cash equivalents	$ 521,383	$ 7,391,930	$ 7,220,908	$ 692,405
Investments	3,208,131	9,173,740	9,156,090	3,225,781
Receivables, net - employers	1,750,405	9,015,156	8,964,183	1,801,378
Due from other funds	1,517	100,423	91,703	10,237
Total Assets	$ 5,481,436	$ 25,681,249	$ 25,432,884	$ 5,729,801
Liabilities				
Accounts payable	$ 3,311,497	$ 350,792	$ 2,631	$ 3,659,658
Due to other funds	2,169,939	16,546,369	16,646,165	2,070,143
Total Liabilities	$ 5,481,436	$ 16,897,161	$ 16,648,796	$ 5,729,801
RESOURCE RECOVERY INVESTMENT TAX FUND				
Assets				
Cash and cash equivalents	$ 100,299	$ 515	$ 515	$ 100,299
Investments	419,794	22,607	515	441,886
Total Assets	$ 520,093	$ 23,122	$ 1,030	$ 542,185
Liabilities				
Accounts payable	$ 520,093	$ 22,155	$ 63	$ 542,185
Total Liabilities	$ 520,093	$ 22,155	$ 63	$ 542,185

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILIITES (Continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006	Additions	Deductions	Balance June 30, 2007
SOLID WASTE SERVICE TAX FUND				
Assets				
Cash and cash equivalents	$ 601,197	$ 12,351,392	$ 12,729,032	$ 223,557
Investments	10,142,781	2,282,479	800,000	11,625,260
Receivables, net - departmental	516,829	448,663	516,829	448,663
Total Assets	$ 11,260,807	$ 15,082,534	$ 14,045,861	$ 12,297,480
Liabilities				
Accounts payable	$ 11,260,807	$ 11,404,721	$ 10,368,048	$ 12,297,480
Total Liabilities	$ 11,260,807	$ 11,404,721	$ 10,368,048	$ 12,297,480
WAGE AND HOUR TRUST FUND				
Assets				
Cash and cash equivalents	$ 1,120,981	$ 1,284,684	$ 1,389,114	$ 1,016,551
Investments	2,509,132	132,407	--	2,641,539
Total Assets	$ 3,630,113	$ 1,417,091	$ 1,389,114	$ 3,658,090
Liabilities				
Accounts payable	$ 3,574,295	$ 1,284,684	$ 1,267,105	$ 3,591,874
Due to other funds	55,818	133,913	123,515	66,216
Total Liabilities	$ 3,630,113	$ 1,418,597	$ 1,390,620	$ 3,658,090
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	$ 7,937,084	$ 3,283,736,834	$ 3,282,419,331	$ 9,254,587
Investments	98,285,911	459,225,406	446,139,589	111,371,728
Receivables, net - members	404,509	255,051	503,553	156,007
Receivables, net - employers	1,750,405	9,015,156	8,964,183	1,801,378
Receivables, net - departmental	516,829	448,663	516,829	448,663
Receivables, net - other	272,564	--	230,742	41,822
Due from other funds	25,605,076	28,215,256	25,695,262	28,125,070
Total Assets	$ 134,772,378	$ 3,780,896,366	$ 3,764,469,489	$ 151,199,255
Liabilities				
Accounts payable	$ 129,388,202	$ 1,600,360,144	$ 1,582,218,173	$ 147,530,173
Due to other funds	5,384,176	20,032,366	21,747,460	3,669,082
Total Liabilities	$ 134,772,378	$ 1,620,392,510	$ 1,603,965,633	$ 151,199,255

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2007

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ASSETS			
Cash and cash equivalents	$ --	$ 27,172	$ 131,585
Securities lending collateral	--	--	8,274
Investments	1,913,525	26,975	14,587,958
Receivables, net of allowances for uncollectibles			
Members	--	--	--
Employers	--	--	--
Interest and dividends	--	26	2,780
Due from other funds	--	--	1,635,745
Other	--	--	34,552
Total Assets	1,913,525	54,173	16,400,894
LIABILITIES			
Accounts payable	--	12,817	4,436
Benefits payable	--	7,386	273,343
Securities lending collateral and rebates payable	--	--	8,274
Due to other funds	--	33,970	18,246
Total Liabilities	--	54,173	304,299
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	$ 1,913,525	$ --	$ 16,096,595

Health Benefits Program Fund Local	Health Benefits Program Fund State	Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan
$ 374,739	$ --	$ 32,274	$ 23,422
--	--	74,379,660	--
775,554,767	134,549,125	370,052,965	2,067,173,020
--	--	--	--
--	--	--	--
--	--	2,355,960	1,990,572
330,011	26,114,160	67,030	--
81,360,517	770,447	864,604	--
857,620,034	161,433,732	447,752,493	2,069,187,014
858,988	2,639,172	--	1,038,750
274,887,100	188,736,025	906,432	--
--	--	74,379,660	--
356,190	345,191	115,853	--
276,102,278	191,720,388	75,401,945	1,038,750
$ 581,517,756	$ (30,286,656)	$ 372,350,548	$ 2,068,148,264

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STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
JUNE 30, 2007

	Police and Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System
ASSETS			
Cash and cash equivalents	$ 143,305	$ 340,478	$ --
Securities lending collateral	3,887,547,737	4,553	6,189,377,299
Investments	19,628,329,417	13,325,850	26,461,897,200
Receivables, net of allowances for uncollectibles			
Members	50,510,598	--	62,874,107
Employers	1,366,713,628	--	1,257,270,892
Interest and dividends	117,119,971	1,415	172,961,771
Due from other funds	3,705,620	--	13,439,971
Other	437,659,165	--	483,101,893
Total Assets	25,491,729,441	13,672,296	34,640,923,133
LIABILITIES			
Accounts payable	1,508,610	1,289	23,058,209
Benefits payable	30,147,184	164,461	48,922,676
Securities lending collateral and rebates payable	3,887,547,737	4,553	6,189,377,299
Due to other funds	2,542,205	2,632	4,518,685
Total Liabilities	3,921,745,736	172,935	6,265,876,869
NET ASSETS			
Held in Trust for Pension Benefits and Other Purposes	$ 21,569,983,705	$ 13,499,361	$ 28,375,046,264

State Police Retirement System	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
$ --	$ --	$ 324,041	$ 1,397,016
463,646,660	--	7,873,183,339	18,488,147,522
2,029,366,340	183,808,090	34,005,155,064	85,685,740,296
1,086,429	480,667	74,559,205	189,511,006
--	--	80,827,054	2,704,811,574
13,419,505	210,956	219,459,356	527,522,312
29,243	38,425	2,392,998	47,753,203
28,254,602	16,443	223,769,227	1,255,831,450
2,535,802,779	184,554,581	42,479,670,284	108,900,714,379
70,129	2,026,046	18,982,905	50,201,351
2,537,190	1,292,171	56,171,873	604,045,841
463,646,660	--	7,873,183,339	18,488,147,522
287,886	5,714	4,669,032	12,895,604
466,541,865	3,323,931	7,953,007,149	19,155,290,318
$ 2,069,260,914	$ 181,230,650	$ 34,526,663,135	$ 89,745,424,061

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Alternate Benefit Long-Term Disability Fund	Central Pension Fund	Consolidated Police and Firemen's Pension Fund
ADDITIONS			
Contributions:			
Members	$ --	$ --	$ --
Employers	2,613,675	426,071	1,809,773
Other	--	28,234	7,362,588
Total Contributions	2,613,675	454,305	9,172,361
Investment Income:			
Net increase (decrease) in fair value of investments	(39)	(1)	132,848
Interest and dividends	146,565	6,265	489,317
Total Investment Income	146,526	6,264	622,165
Less investment expense	--	--	10,226
Net Investment Income	146,526	6,264	611,939
Total Additions	2,760,201	460,569	9,784,300
DEDUCTIONS			
Benefit payments	2,641,791	426,800	11,873,928
Refunds of contributions	--	33,769	--
Administrative expense	--	--	27,883
Total Deductions	2,641,791	460,569	11,901,811
Total Changes in Net Assets Held In Trust	118,410	--	(2,117,511)
Net Assets - July 1, 2006 (Restated)	1,795,115	--	18,214,106
Net Assets - June 30, 2007	$ 1,913,525	$ --	$ 16,096,595

Health Benefits Program Fund Local	Health Benefits Program Fund State	Judicial Retirement System	New Jersey State Employees' Deferred Compensation Plan
$ 81,345,032	$ 79,768,468	$ 2,201,527	$ 173,352,442
2,096,734,820	1,289,772,833	12,741,898	--
--	--	--	--
2,178,079,852	1,369,541,301	14,943,425	173,352,442
410,427	538,358	41,849,434	221,908,619
34,817,066	14,442,105	10,378,684	26,358,251
35,227,493	14,980,463	52,228,118	248,266,870
--	--	12,721	--
35,227,493	14,980,463	52,215,397	248,266,870
2,213,307,345	1,384,521,764	67,158,822	421,619,312
2,003,412,136	1,597,684,686	32,941,192	61,812,001
--	--	--	--
4,227,306	3,126,203	159,340	--
2,007,639,442	1,600,810,889	33,100,532	61,812,001
205,667,903	(216,289,125)	34,058,290	359,807,311
375,849,853	186,002,469	338,292,258	1,708,340,953
$ 581,517,756	$ (30,286,656)	$ 372,350,548	$ 2,068,148,264

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STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS (Continued)
PENSION AND OTHER EMPLOYEE BENEFITS TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Police and Firemen's Retirement System	Prison Officers' Pension Fund	Public Employees' Retirement System
ADDITIONS			
Contributions:			
Members	$ 307,335,360	$ --	$ 654,493,521
Employers	825,687,477	--	674,629,437
Other	--	1,138,138	--
Total Contributions	1,133,022,837	1,138,138	1,329,122,958
Investment Income:			
Net increase (decrease) in fair value of investments	2,204,650,600	65,642	3,014,223,973
Interest and dividends	573,600,057	649,096	803,186,589
Total Investment Income	2,778,250,657	714,738	3,817,410,562
Less investment expense	1,091,961	2,553	6,445,180
Net Investment Income	2,777,158,696	712,185	3,810,965,382
Total Additions	3,910,181,533	1,850,323	5,140,088,340
DEDUCTIONS			
Benefit payments	1,253,343,568	2,356,383	1,977,034,746
Refunds of contributions	6,081,982	--	77,345,336
Administrative expense	5,958,935	9,297	19,506,750
Total Deductions	1,265,384,485	2,365,680	2,073,886,832
Total Changes in Net Assets Held In Trust	2,644,797,048	(515,357)	3,066,201,508
Net Assets - July 1, 2006 (Restated)	18,925,186,657	14,014,718	25,308,844,756
Net Assets - June 30, 2007	$ 21,569,983,705	$ 13,499,361	$ 28,375,046,264

State Police Retirement System	Supplemental Annuity Collective Trust	Teachers' Pension and Annuity Fund	Total Pension and Other Employee Benefits Trust Funds
$ 17,861,043	$ 7,764,788	$ 523,997,776	$ 1,848,119,957
29,285,276	--	693,759,318	5,627,460,578
--	--	--	8,528,960
47,146,319	7,764,788	1,217,757,094	7,484,109,495
233,324,427	29,171,768	3,893,125,853	9,639,401,909
58,285,303	3,391,983	985,020,984	2,510,772,265
291,609,730	32,563,751	4,878,146,837	12,150,174,174
78,291	--	3,221,987	10,862,919
291,531,439	32,563,751	4,874,924,850	12,139,311,255
338,677,758	40,328,539	6,092,681,944	19,623,420,750
110,912,899	20,670,715	2,453,552,981	9,528,663,826
176,844	--	36,509,132	120,147,063
531,130	--	12,343,927	45,890,771
111,620,873	20,670,715	2,502,406,040	9,694,701,660
227,056,885	19,657,824	3,590,275,904	9,928,719,090
1,842,204,029	161,572,826	30,936,387,231	79,816,704,971
$ 2,069,260,914	$ 181,230,650	$ 34,526,663,135	$ 89,745,424,061

STATE OF NEW JERSEY
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
JUNE 30, 2007

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ASSETS		
Cash and cash equivalents	$ 100	$ 25,975
Investments	123,829	247,333
Total Assets	123,929	273,308
LIABILITIES		
Accounts payable	--	260,433
Due to other funds	--	12,776
Total Liabilities	--	273,209
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	$ 123,929	$ 99

Unclaimed County Deposits Trust Fund	Unclaimed Insurance Payments on Deposit Accounts Fund	Total Private Purpose Trust Funds
$ 66,201	$ 121,807	$ 214,083
12,516,230	151,839	13,039,231
12,582,431	273,646	13,253,314
3,299,720	--	3,560,153
4,399,627	51,959	4,464,362
7,699,347	51,959	8,024,515
$ 4,883,084	$ 221,687	$ 5,228,799

STATE OF NEW JERSEY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PRIVATE PURPOSE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Insurance Annuity Trust Fund	Motor Vehicle Security Responsibility Fund
ADDITIONS		
Investment Income:		
Interest and dividends	$ 6,029	$ 12,776
Total Investment Income	6,029	12,776
Miscellaneous	6,000	--
Total Additions	12,029	12,776
DEDUCTIONS		
Refunds and transfers to other systems	--	12,776
Payments in accordance with trust agreements	--	--
Total Deductions	--	12,776
Total Changes in Net Assets Held In Trust	12,029	--
Net Assets - July 1, 2006	111,900	99
Net Assets - June 30, 2007	$ 123,929	$ 99

Unclaimed County Deposits Trust Fund	Unclaimed Insurance Payments on Deposit Accounts Fund	Total Private Purpose Trust Funds
$ 551,885	$ 57,979	$ 628,669
551,885	57,979	628,669
248,852	--	254,852
800,737	57,979	883,521
--	29,362	42,138
295,008	1,521,508	1,816,516
295,008	1,550,870	1,858,654
505,729	(1,492,891)	(975,133)
4,377,355	1,714,578	6,203,932
$ 4,883,084	$ 221,687	$ 5,228,799

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS
JUNE 30, 2007

	Authorities	Colleges and Universities	Total Non-Major Component Units
ASSETS			
Current Assets			
Cash and cash equivalents	$ 785,884,566	$ 327,751,415	$ 1,113,635,981
Investments	5,229,002,982	1,253,745,218	6,482,748,200
Receivables, net of allowances for uncollectibles			
Federal government	13,451,729	26,407,126	39,858,855
Loans	2,080,748,606	15,856,591	2,096,605,197
Mortgages	2,122,599,616	--	2,122,599,616
Other	363,697,814	69,975,485	433,673,299
Due from external parties	31,025,362	3,648,610	34,673,972
Inventories	1,233,715	1,316,907	2,550,622
Other	140,057,846	69,116,830	209,174,676
Noncurrent Assets			
Capital assets - nondepreciated	517,143,825	333,356,818	850,500,643
Capital assets - depreciated, net	1,424,245,614	2,218,161,020	3,642,406,634
Total Assets	12,709,091,675	4,319,336,020	17,028,427,695
LIABILITIES			
Current Liabilities			
Accounts payable	134,886,367	120,393,561	255,279,928
Due to external parties	12,057,078	1,478,863	13,535,941
Interest payable	60,789,744	23,891,432	84,681,176
Deferred revenue	150,832,458	64,875,509	215,707,967
Current portion of long-term obligations	257,960,731	60,495,227	318,455,958
Other	330,038,587	9,261,922	339,300,509
Noncurrent Liabilities			
Due in more than one year	6,979,810,074	2,163,918,584	9,143,728,658
Total Liabilities	7,926,375,039	2,444,315,098	10,370,690,137
NET ASSETS			
Invested in capital assets, net of related debt	463,779,819	910,668,769	1,374,448,588
Restricted for:			
Capital projects	71,689,269	57,244,881	128,934,150
Debt service	650,242,844	68,009,245	718,252,089
Other purposes	2,226,907,154	309,737,453	2,536,644,607
Unrestricted	1,370,097,550	529,360,574	1,899,458,124
Total Net Assets	$ 4,782,716,636	$ 1,875,020,922	$ 6,657,737,558

STATE OF NEW JERSEY
STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Authorities	Colleges and Universities	Total Non-Major Component Units
Expenses	$ 1,418,189,652	$ 1,588,319,664	$ 3,006,509,316
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	665,923,446	798,826,681	1,464,750,127
Operating grants and contributions	666,230,482	589,986,300	1,256,216,782
Capital grants and contributions	615,423,829	5,478,294	620,902,123
Net (Expense) Revenue	529,388,105	(194,028,389)	335,359,716
General Revenue			
Payments from State	77,558,213	329,945,691	407,503,904
Total General Revenue	77,558,213	329,945,691	407,503,904
Change in Net Assets	606,946,318	135,917,302	742,863,620
Net Assets - Beginning of Year (Restated)	4,175,770,318	1,739,103,620	5,914,873,938
Net Assets - End of Year	$ 4,782,716,636	$ 1,875,020,922	$ 6,657,737,558

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2007

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority
ASSETS		
Current Assets		
Cash and cash equivalents	$ 530,458	$ 55,407,163
Investments	241,018,847	2,634,634,003
Receivables, net of allowances for uncollectibles		
Federal government	--	12,095,637
Loans	--	924,517,398
Mortgages	127,326,616	--
Other	39,600,565	17,307,519
Due from external parties	--	--
Inventories	--	--
Other	7,526,526	8,606,310
Noncurrent Assets		
Capital assets - nondepreciated	93,297,115	--
Capital assets- depreciated, net	78,838	843,459
Total Assets	509,378,965	3,653,411,489
LIABILITIES		
Current Liabilities		
Accounts payable	13,626,116	20,448,170
Due to external parties	--	--
Interest payable	9,140,896	6,088,914
Deferred revenue	--	--
Current portion of long-term obligations	4,340,156	8,140,665
Other	--	10,430,581
Noncurrent Liabilities		
Due in more than one year	502,086,245	1,584,455,000
Total Liabilities	529,193,413	1,629,563,330
NET ASSETS		
Invested in capital assets, net of related debt	78,838	--
Restricted for:		
Capital projects	--	--
Debt service	17,124,945	45,757,123
Other purposes	--	1,978,091,036
Unrestricted	(37,018,231)	--
Total Net Assets	$ (19,814,448)	$ 2,023,848,159

New Jersey Commerce, Economic Growth and Tourism Commission	New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
$ 2,896,989	$ 55,440	$ 48,990,890	$ 53,147
3,093,874	1,158,419	629,759,209	9,026,229
--	--	--	--
2,918,084	--	--	--
--	--	--	--
669,565	1,720,410	202,854,664	133,677
--	--	--	--
--	2,258	--	--
180,547	--	1,616,391	29,481
--	--	23,873,206	--
42,363	--	120,124,450	274,089
9,801,422	2,936,527	1,027,218,810	9,516,623
4,335,046	33,470	9,484,496	273,500
--	--	--	--
--	--	1,428,095	--
32,026	124,583	1,335,692	--
254,530	--	15,732,175	--
--	290,000	6,303,229	--
--	--	185,347,687	2,390,529
4,621,602	448,053	219,631,374	2,664,029
42,363	--	43,582,656	274,089
--	--	--	--
--	--	--	--
2,918,084	--	45,688,363	--
2,219,373	2,488,474	718,316,417	6,578,505
$ 5,179,820	$ 2,488,474	$ 807,587,436	$ 6,852,594

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2007

	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority	New Jersey Housing and Mortgage Finance Agency
ASSETS			
Current Assets			
Cash and cash equivalents	$ 371,099,420	$ 11,000	$ 62,337,000
Investments	344,077,610	4,920,000	1,094,972,000
Receivables, net of allowances for uncollectibles			
Federal government	--	--	--
Loans	907,325,671	1,500,000	221,815,000
Mortgages	--	--	1,995,273,000
Other	--	2,123,000	13,911,000
Due from external parties	--	--	2,414,000
Inventories	--	--	--
Other	32,739,902	145,000	21,902,000
Noncurrent Assets			
Capital assets - nondepreciated	--	--	1,345,000
Capital assets- depreciated, net	34,958	221,000	12,124,000
Total Assets	1,655,277,561	8,920,000	3,426,093,000
LIABILITIES			
Current Liabilities			
Accounts payable	17,861,150	297,000	--
Due to external parties	--	--	9,770,000
Interest payable	--	--	20,480,000
Deferred revenue	--	795,000	--
Current portion of long-term obligations	90,400,333	--	88,850,000
Other	--	--	211,890,000
Noncurrent Liabilities			
Due in more than one year	1,168,002,801	614,000	2,244,504,000
Total Liabilities	1,276,264,284	1,706,000	2,575,494,000
NET ASSETS			
Invested in capital assets, net of related debt	--	221,000	13,469,000
Restricted for:			
Capital projects	--	--	--
Debt service	250,328,711	--	272,544,000
Other purposes	106,468,806	--	42,957,000
Unrestricted	22,215,760	6,993,000	521,629,000
Total Net Assets	$ 379,013,277	$ 7,214,000	$ 850,599,000

New Jersey Meadowlands Commission	New Jersey Redevelopment Authority	New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority
$ 77,156,950	$ 4,211,599	$ 79,016,000	$ 28,618,434
11,353,858	--	159,605,000	18,708,780
--	--	--	--
--	19,438,465	--	3,233,988
--	--	--	--
4,929,342	1,158,050	70,156,000	3,695,894
--	--	25,532,000	--
--	--	--	--
13,735	32,906,278	--	16,486,184
22,180,255	--	182,766,000	19,250,152
811,093	32,429	685,611,000	125,008,854
116,445,233	57,746,821	1,202,686,000	215,002,286
3,385,229	75,134	50,929,000	2,452,176
--	943,415	--	--
--	--	20,761,000	--
1,138,931	--	143,617,000	2,735,331
--	--	33,919,000	4,426,052
2,633,536	--	85,146,000	--
13,957,074	--	788,392,000	101,238,564
21,114,770	1,018,549	1,122,764,000	110,852,123
22,991,348	32,429	85,381,000	38,594,390
--	27,331,914	--	--
--	--	21,994,000	12,388,041
43,413,939	--	--	--
28,925,176	29,363,929	(27,453,000)	53,167,732
$ 95,330,463	$ 56,728,272	$ 79,922,000	$ 104,150,163

(Continued on next page)

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
JUNE 30, 2007

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
ASSETS			
Current Assets			
Cash and cash equivalents	$ 4,234,835	$ 51,265,241	$ 785,884,566
Investments	15,399,615	61,275,538	5,229,002,982
Receivables, net of allowances for uncollectibles			
Federal government	--	1,356,092	13,451,729
Loans	--	--	2,080,748,606
Mortgages	--	--	2,122,599,616
Other	799,657	4,638,471	363,697,814
Due from external parties	3,079,362	--	31,025,362
Inventories	1,117,572	113,885	1,233,715
Other	8,240,419	9,665,073	140,057,846
Noncurrent Assets			
Capital assets - nondepreciated	18,235,317	156,196,780	517,143,825
Capital assets- depreciated, net	123,782,231	355,256,850	1,424,245,614
Total Assets	174,889,008	639,767,930	12,709,091,675
LIABILITIES			
Current Liabilities			
Accounts payable	1,653,819	10,032,061	134,886,367
Due to external parties	1,343,663	--	12,057,078
Interest payable	2,890,839	--	60,789,744
Deferred revenue	637,889	416,006	150,832,458
Current portion of long-term obligations	5,387,522	6,510,298	257,960,731
Other	169,112	13,176,129	330,038,587
Noncurrent Liabilities			
Due in more than one year	119,244,906	269,577,268	6,979,810,074
Total Liabilities	131,327,750	299,711,762	7,926,375,039
NET ASSETS			
Invested in capital assets, net of related debt	21,286,196	237,826,510	463,779,819
Restricted for:			
Capital projects	--	44,357,355	71,689,269
Debt service	10,436,678	19,669,346	650,242,844
Other purposes	1,117,572	6,252,354	2,226,907,154
Unrestricted	10,720,812	31,950,603	1,370,097,550
Total Net Assets	$ 43,561,258	$ 340,056,168	$ 4,782,716,636

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Casino Reinvestment Development Authority	Higher Education Student Assistance Authority
Expenses	$ 91,223,981	$ 368,528,873
Net (Expense) Revenue and Changes in Net Assets		
Program Revenues		
Charges for services	41,295,272	109,473,447
Operating grants and contributions	25,234,890	350,834,007
Capital grants and contributions	--	586,027,870
Net (Expense) Revenue	(24,693,819)	677,806,451
General Revenue		
Payments from State	--	--
Total General Revenue	--	--
Change in Net Assets	(24,693,819)	677,806,451
Net Assets - Beginning of Year (Restated)	4,879,371	1,346,041,708
Net Assets - End of Year	$ (19,814,448)	$ 2,023,848,159

New Jersey Commerce, Economic Growth, and Tourism Commission	New Jersey Development Authority for Small Businesses, Minorities and Women's Enterprises	New Jersey Economic Development Authority	New Jersey Educational Facilities Authority
$ 20,457,394	$ 576,656	$ 193,817,891	$ 3,691,043
2,085,979	148,201	3,086,276	4,037,789
2,274,017	151,140	69,169,222	334,709
--	--	--	--
(16,097,398)	(277,315)	(121,562,393)	681,455
17,249,000	--	10,458,403	--
17,249,000	--	10,458,403	--
1,151,602	(277,315)	(111,103,990)	681,455
4,028,218	2,765,789	918,691,426	6,171,139
$ 5,179,820	$ 2,488,474	$ 807,587,436	$ 6,852,594

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	New Jersey Environmental Infrastructure Trust	New Jersey Health Care Facilities Financing Authority	New Jersey Housing and Mortgage Finance Agency
Expenses	$ 52,393,029	$ 3,403,000	$ 83,595,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	5,330,677	4,203,000	15,235,000
Operating grants and contributions	61,125,113	307,000	103,470,000
Capital grants and contributions	--	--	--
Net (Expense) Revenue	14,062,761	1,107,000	35,110,000
General Revenue			
Payments from State	8,056,080	--	--
Total General Revenue	8,056,080	--	--
Change in Net Assets	22,118,841	1,107,000	35,110,000
Net Assets - Beginning of Year (Restated)	356,894,436	6,107,000	815,489,000
Net Assets - End of Year	$ 379,013,277	$ 7,214,000	$ 850,599,000

New Jersey Meadowlands Commission	New Jersey Redevelopment Authority	New Jersey Sports and Exposition Authority	New Jersey Water Supply Authority
$ 37,601,241	$ 2,648,905	$ 401,269,000	$ 24,991,898
20,581,539	1,431,313	322,690,000	25,892,994
18,656,441	1,995,139	23,986,000	741,038
--	--	21,635,000	--
1,636,739	777,547	(32,958,000)	1,642,134
--	--	30,549,000	1,923,033
--	--	30,549,000	1,923,033
1,636,739	777,547	(2,409,000)	3,565,167
93,693,724	55,950,725	82,331,000	100,584,996
$ 95,330,463	$ 56,728,272	$ 79,922,000	$ 104,150,163

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - AUTHORITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	South Jersey Port Corporation	South Jersey Transportation Authority	Total Non-Major Authorities
Expenses	$ 38,479,521	$ 95,512,220	$ 1,418,189,652
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	28,914,241	81,517,718	665,923,446
Operating grants and contributions	1,086,788	6,864,978	666,230,482
Capital grants and contributions	1,799,323	5,961,636	615,423,829
Net (Expense) Revenue	(6,679,169)	(1,167,888)	529,388,105
General Revenue			
Payments from State	9,322,697	--	77,558,213
Total General Revenue	9,322,697	--	77,558,213
Change in Net Assets	2,643,528	(1,167,888)	606,946,318
Net Assets - Beginning of Year (Restated)	40,917,730	341,224,056	4,175,770,318
Net Assets - End of Year	$ 43,561,258	$ 340,056,168	$ 4,782,716,636

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2007

	The College of New Jersey	Thomas Edison State College
ASSETS		
Current Assets		
Cash and cash equivalents	$ 3,756,000	$ 1,746,610
Investments	184,930,000	41,788,690
Receivables, net of allowances for uncollectibles		
Federal government	772,000	156,459
Loans	4,286,000	--
Other	3,617,000	5,474,123
Due from external parties	--	--
Inventories	--	--
Other	10,992,000	640,558
Noncurrent Assets		
Capital assets - nondepreciated	46,106,000	3,350,172
Capital assets - depreciated, net	423,688,000	29,102,279
Total Assets	678,147,000	82,258,891
LIABILITIES		
Current Liabilities		
Accounts payable	15,603,000	3,870,857
Due to external parties	51,000	35,863
Interest payable	2,190,000	--
Deferred revenue	4,887,000	7,734,281
Current portion of long-term obligations	6,152,000	1,415,967
Other	4,404,000	--
Noncurrent Liabilities		
Due in more than one year	336,761,000	1,067,867
Total Liabilities	370,048,000	14,124,835
NET ASSETS		
Invested in capital assets, net of related debt	244,220,000	31,209,968
Restricted for:		
Capital projects	--	--
Debt service	444,000	--
Other purposes	11,714,000	6,078,384
Unrestricted	51,721,000	30,845,704
Total Net Assets	$ 308,099,000	$ 68,134,056

	Kean University	Montclair State University	New Jersey City University
$	166,544,000	$ 14,461,540	$ 2,792,454
	129,252,000	222,028,784	48,504,369
	2,302,000	415,485	990,725
	1,726,000	3,624,256	513,054
	--	18,876,731	5,277,053
	--	--	--
	--	--	--
	16,583,000	9,834,227	5,657,128
	43,746,000	43,795,698	46,366,968
	161,031,000	351,754,642	130,620,306
	521,184,000	664,791,363	240,722,057
	14,760,000	12,958,874	8,207,812
	--	--	--
	2,449,000	8,852,026	829,838
	5,955,000	12,504,861	1,574,809
	3,974,000	7,352,621	4,723,725
	1,864,000	854,453	--
	335,276,000	356,161,891	120,892,685
	364,278,000	398,684,726	136,228,869
	75,226,000	119,313,091	69,382,325
	2,900,000	--	58,397
	7,581,000	9,111,794	2,980,985
	18,153,000	50,528,733	7,621,599
	53,046,000	87,153,019	24,449,882
$	156,906,000	$ 266,106,637	$ 104,493,188

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STATE OF NEW JERSEY
COMBINING STATEMENT OF NET ASSETS (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
JUNE 30, 2007

	New Jersey Institute of Technology	The William Paterson University of New Jersey	Ramapo College of New Jersey
ASSETS			
Current Assets			
Cash and cash equivalents	$ 32,753,000	$ 43,942,443	$ 758,000
Investments	91,113,000	46,702,071	70,898,000
Receivables, net of allowances for uncollectibles			
Federal government	16,360,000	1,593,654	1,302,000
Loans	1,831,000	725,805	825,000
Other	11,823,000	5,406,037	706,000
Due from external parties	--	764,610	2,884,000
Inventories	--	--	--
Other	9,785,000	5,471,808	2,290,000
Noncurrent Assets			
Capital assets - nondepreciated	14,102,000	13,097,621	29,167,000
Capital assets - depreciated, net	230,296,000	246,560,931	238,159,000
Total Assets	408,063,000	364,264,980	346,989,000
LIABILITIES			
Current Liabilities			
Accounts payable	10,230,000	11,639,642	15,467,000
Due to external parties	1,193,000	--	199,000
Interest payable	3,805,000	--	--
Deferred revenue	11,609,000	3,512,693	3,341,000
Current portion of long-term obligations	8,613,000	8,367,161	5,486,000
Other	588,000	--	--
Noncurrent Liabilities			
Due in more than one year	175,233,000	114,416,248	253,349,000
Total Liabilities	211,271,000	137,935,744	277,842,000
NET ASSETS			
Invested in capital assets, net of related debt	87,669,000	146,017,335	34,593,000
Restricted for:			
Capital projects	--	--	452,000
Debt service	--	13,629,997	1,416,000
Other purposes	62,764,000	12,541,923	12,957,000
Unrestricted	46,359,000	54,139,981	19,729,000
Total Net Assets	$ 196,792,000	$ 226,329,236	$ 69,147,000

Rowan University	The Richard Stockton College of New Jersey	Total Non-Major Colleges and Universities
$ 51,579,588	$ 9,417,780	$ 327,751,415
274,445,924	144,082,380	1,253,745,218
1,025,018	1,489,785	26,407,126
--	2,325,476	15,856,591
13,548,587	5,246,954	69,975,485
--	--	3,648,610
1,271,730	45,177	1,316,907
6,319,932	1,543,177	69,116,830
67,318,741	26,306,618	333,356,818
292,004,383	114,944,479	2,218,161,020
707,513,903	305,401,826	4,319,336,020
11,170,466	16,485,910	120,393,561
--	--	1,478,863
5,765,568	--	23,891,432
5,236,192	8,520,673	64,875,509
9,887,966	4,522,787	60,495,227
1,551,469	--	9,261,922
346,145,815	124,615,078	2,163,918,584
379,757,476	154,144,448	2,444,315,098
83,974,682	19,063,368	910,668,769
--	53,834,484	57,244,881
22,880,154	9,965,315	68,009,245
120,235,617	7,143,197	309,737,453
100,665,974	61,251,014	529,360,574
$ 327,756,427	$ 151,257,378	$ 1,875,020,922

STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	The College of New Jersey	Thomas Edison State College
Expenses	$ 161,613,000	$ 70,806,149
Net (Expense) Revenue and Changes in Net Assets		
Program Revenues		
Charges for services	91,346,000	24,733,681
Operating grants and contributiions	52,350,000	32,554,238
Capital grants and contributions	163,000	237,500
Net (Expense) Revenue	(17,754,000)	(13,280,730)
General Revenue		
Payments from State	35,016,000	12,255,691
Total General Revenue	35,016,000	12,255,691
Change in Net Assets	17,262,000	(1,025,039)
Net Assets - July 1, 2006 (Restated)	290,837,000	69,159,095
Net Assets - June 30, 2007	$ 308,099,000	$ 68,134,056

	Kean University	Montclair State University	New Jersey City University
	$ 186,997,000	$ 240,696,670	$ 121,312,361
	86,663,000	148,210,000	47,089,570
	64,062,000	86,365,283	48,123,818
	--	529,700	1,394,511
	(36,272,000)	(5,591,687)	(24,704,462)
	39,643,000	46,128,000	30,983,000
	39,643,000	46,128,000	30,983,000
	3,371,000	40,536,313	6,278,538
	153,535,000	225,570,324	98,214,650
	$ 156,906,000	$ 266,106,637	$ 104,493,188

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STATE OF NEW JERSEY
COMBINING STATEMENT OF ACTIVITIES (Continued)
NON-MAJOR COMPONENT UNITS - COLLEGES AND UNIVERSITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	New Jersey Institute of Technology	The William Paterson University of New Jersey	Ramapo College of New Jersey
Expenses	$ 224,519,000	$ 155,811,048	$ 109,744,000
Net (Expense) Revenue and Changes in Net Assets			
Program Revenues			
Charges for services	80,390,000	91,556,747	63,485,000
Operating grants and contributiions	104,306,000	46,685,648	27,615,000
Capital grants and contributions	1,655,000	297,148	410,000
Net (Expense) Revenue	(38,168,000)	(17,271,505)	(18,234,000)
General Revenue			
Payments from State	47,182,000	38,968,000	19,579,000
Total General Revenue	47,182,000	38,968,000	19,579,000
Change in Net Assets	9,014,000	21,696,495	1,345,000
Net Assets - July 1, 2006 (Restated)	187,778,000	204,632,741	67,802,000
Net Assets - June 30, 2007	$ 196,792,000	$ 226,329,236	$ 69,147,000

Rowan University	The Richard Stockton College of New Jersey	Total Non-Major Colleges and Universities
$ 189,918,892	$ 126,901,544	$ 1,588,319,664
98,569,578	66,783,105	798,826,681
79,334,305	48,590,008	589,986,300
761,155	30,280	5,478,294
(11,253,854)	(11,498,151)	(194,028,389)
36,488,000	23,703,000	329,945,691
36,488,000	23,703,000	329,945,691
25,234,146	12,204,849	135,917,302
302,522,281	139,052,529	1,739,103,620
$ 327,756,427	$ 151,257,378	$ 1,875,020,922

Alcohol Education, Rehabilitation and Enforcement Fund (N.J.S.A. 54:32C)

Special Revenue Fund

Annual deposits of $11 million are made to this fund from annual Alcohol Beverage Excise Tax collections. The monies collected shall be dedicated as follows: 75.0 percent to alcohol rehabilitation, 15.0 percent to enforcement, and 10.0 percent to education. Additionally, a $40 fee paid by persons convicted of operating a motor vehicle under the influence of intoxicating liquor or drugs are deposited into this fund to be used for the screening, evaluation, education, and referral of persons who have been convicted of driving while intoxicated.

Alternate Benefit Long-Term Disability Fund

Pension Trust Fund

The fund is employer-funded for long-term disability. Benefits are paid to those members of the Alternate Benefit Programs Fund who have been disabled for two years or more since October 1, 1986.

Alternate Benefit Program Fund (N.J.S.A. 18A:66-167 et seq.)

Agency Fund

Faculty members of public institutions of higher education and certain administrative and professional titles are allowed to participate in a defined contribution plan. The employer contributes eight percent of base or contractual salary and then is reimbursed through this fund. The State's appropriation equals the amount needed to reimburse the employers for their contribution.

Atlantic City Parking Fees Fund (P.L. 1993, c.159)

Special Revenue Fund

A $3 parking fee per diem is imposed for each vehicle parked, garaged, or stored in any casino hotel parking space. As per P.L. 2003, c.116 effective July 1, 2007, of the $3.00 fee collected the first $1.50 shall be remitted to the Casino Reinvestment Development Authority (CRDA). Of the remaining $1.50, the first $0.50 shall be deposited into the Casino Revenue Fund and the remaining $1.00 shall be remitted to the CRDA.

Atlantic City Projects-Room Fund (P.L. 2001, c.221)

Special Revenue Fund

The Atlantic City Projects-Room Fund facilitates the development of entertainment-retail projects in specified districts located within Atlantic City and promotes the revitalization of other urban areas throughout the State. Room Fund revenue is comprised of Tourism Promotion Fee receipts limited to annual Luxury Tax receipts that exceed the pre-determined baseline amount for a given district. Project Fund revenue is comprised of Sales and Use Tax receipts received from the entertainment-retail vendors within each district project.

Atlantic City Tourism Promotion Fund (P.L. 1991, c.376)

Special Revenue Fund

This fund accounts for revenues collected for fees of $2 per day for each occupied room in any hotel providing casino gaming and $1 per day for each occupied room in any other hotel in the eligible municipality. The revenues are collected, certified, and distributed on a monthly basis to the Atlantic City Convention and Visitors Authority. Amounts expended are solely for the purpose of promoting tourism, conventions, resorts, and casino gaming.

Beaches and Harbor Fund (P.L. 1977, c.208)

Special Revenue Fund

An amount of $30 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain beaches and harbors.

Board of Bar Examiners (R. 1:27B1)

Special Revenue Fund

This fund was established for the purposes of drafting bar essay examination questions, reviewing applications, and preparing, administering, and grading bar examinations. Revenues are generated by payments made by candidates for admission to the Bar of the State of New Jersey. Revenues include examination fees, late fee charges, certificates of good standing, license name changes, and copying fees.

Boarding House Rental Assistance Fund (N.J.S.A. 55:14K-14)

Special Revenue Fund

This fund finances life safety improvement loans by the New Jersey Housing and Mortgage Finance Agency for the benefit of residents of boarding homes; and to provide a source of repayment for such life safety improvement loans.

Body Armor Replacement Fund (P.L. 1997, c.177)

Special Revenue Fund

This fund is a repository for monies used exclusively for the purchase of body vests for law enforcement officers and correction officers.

Capital City Redevelopment Loan and Grant Fund (P.L. 1987, c.58)

Special Revenue Fund

This fund was established for the redevelopment and revitalization of the City of Trenton. The State has established the Capital City Redevelopment Corporation to operate within the boundaries of the Trenton district, which plans, coordinates, and promotes the public and private development of that district in a manner that enhances the Trenton area's vitality as a place of commerce, recreation, and culture and as an area which to conduct public business and visit historic sites.

Casino Control Fund (N.J.S.A. 5:12-143)

Special Revenue Fund

This fund accounts for fees from the issuance and annual renewal of casino licenses and other license fees. Appropriations fund the operations of the Casino Control Commission and the Division of Gaming Enforcement.

Casino Revenue Fund (N.J.S.A. 5:12-145)

Special Revenue Fund

This fund accounts for the tax on gross revenues generated by the casinos. Gross revenue refers to the total of all sums actually received by a licensee from gaming operations less the total sums paid out as winnings to patrons. Other taxes and fees deposited into this fund are the Casino Complimentary Tax, Casino Room Fee, Progressive Slot Tax, and a portion of the Casino Parking Fee. Appropriations from this fund must be used for reductions in property taxes, utility charges, and other specified expenses of eligible senior citizens.

Casino Simulcasting Fund (P.L. 1992, c.19)

Special Revenue Fund

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this fund and shall be used for services to benefit senior citizens.

Casino Simulcasting Special Fund (P.L. 1992, c.19)

Special Revenue Fund

Casino simulcasting is defined as the simultaneous transmission by picture of running or harness horse races conducted at race tracks to Atlantic City casinos and pari-mutuel wagering at those gambling establishments on the results of those races. A portion of the revenue generated from casino simulcasting is to be deposited into this fund and shall be disbursed to the Atlantic City Racetrack, Atlantic City casinos conducting simulcasting, and for other miscellaneous purposes.

Catastrophic Illness in Children Relief Fund (P.L. 1987, c.370)

Special Revenue Fund

This fund provides assistance to children and their families whose medical expenses due to a child's "catastrophic illness" extend beyond the families' available resources. Revenue is derived from a $1 annual surcharge per employee for all employers who are subject to the New Jersey Unemployment Compensation Law.

Central Pension Fund

Pension Trust Fund

This fund administers a series of noncontributory pension acts. No reserves are established for the payment of retirement benefits. These benefits are funded on a pay-as-you-go basis in accordance with the governing statute and the rules and regulations of the State House Commission.

Clean Communities Account Fund (P.L. 1985, c.533)

Special Revenue Fund

A user fee on sales of litter-generating products is credited to the Clean Communities Account Fund. Twenty-five percent of the annual amount credited to the fund, but not more than $4 million per year, is appropriated to the State Recycling Fund to provide recycling grants to municipalities and counties for local recycling programs. The balance of money credited to the fund is used to provide grants to eligible municipalities for programs of litter pickup and removal; and is also used for a State program of litter pickup and removal and of enforcement of litter-related laws.

Clean Energy Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues collected from a "societal benefit charge" on monthly utility bills. Funds generated from this charge are used to support clean energy initiatives.

Clean Waters Fund (P.L. 1976, c.92)

Special Revenue Fund

An amount of $120 million of General Obligation bonds was authorized to research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities.

Consolidated Police and Firemen's Pension Fund (N.J.S.A. 43:16)

Pension Trust Fund

This fund was established to place 212 local police and firemen pension funds on an actuarial basis. The membership consists of policemen and firemen appointed prior to July 1, 1944. The liabilities of these local funds are shared: two-thirds by the participating counties and municipalities and one-third by the State.

Correctional Facilities Construction Fund (P.L. 1982, c.120)

Capital Projects Fund

An amount of $170 million of General Obligation bonds was authorized for construction of new medium security prisons, county assistance programs, and renovations and modifications to existing State facilities.

Correctional Facilities Construction Fund of 1987 (P.L. 1987, c.178)

Capital Projects Fund

An amount of $198 million of General Obligation bonds was authorized for the planning, erection, acquisition, improvement, construction, reconstruction, development, extension, rehabilitation, demolition, and equipment of State and county correctional facilities.

Cultural Centers and Historic Preservation Fund (P.L. 1987, c.265)

Special Revenue Fund

An amount of $100 million of General Obligation bonds was authorized for the purpose of financing the construction and development of cultural centers ($40 million); the restoration, repair, or rehabilitation of historic structures in the State ($25 million); and for the purpose of providing for grants and loans to assist municipalities, counties, and other units of local government to acquire and develop lands for recreation and conservation purposes ($35 million).

2003 Dam, Lake and Stream Project Revolving Loan Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $110 million of General Obligation bonds was authorized to make low-interest loans to owners of dams, lakes or stream, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects.

2003 Dam, Lake, Stream and Flood Control Project Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $40 million of General Obligation bonds was authorized to provide assistance, other than full or matching grants, to owners of dams, lakes or streams, or private lake associations for dam restoration and repair projects, lake dredging and restoration projects, or stream cleaning and desnagging projects, and for State flood control projects or State dam restoration and repair projects.

1992 Dam Restoration and Clean Waters Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland, and Historic Preservation Bond Act of 1992 to finance dam restoration and inland water projects and loans.

Dental Expense Program (N.J.S.A. 52:14-17.29)

Agency Fund

This program helps meet the dental expenses for eligible state and local employees, retirees, and their dependents. There are two separate benefit types available. The Dental Expense Program (DEP) is a self-insured indemnity plan. Included are full coverage of eligible diagnostic and preventive services and substantial benefits for covered restorative services. For active employees there is an annual benefit maximum of $3,000 and a separate lifetime $1,000 maximum for child orthodontic services. The DEP also has a "discount network" of providers who have contracts with the insurance carrier which reduces the cost of services to the employee and to the program. In addition to the DEP, there are several Dental Plan Organizations (DPOs) participating in the State program. Similar to HMOs for health care, the DPOs pay for benefits rendered by contracted providers. The DEP is available to employees of the State of New Jersey, including employees of certain independent agencies, such as the State colleges and universities. Although the cost sharing is subject to bargaining contracts, at this time all State employees use the same rule: the State pays for at least one-half of the cost of coverage. The DEP is offered to local employees whose employers have elected to participate.

Retirees who participate in the State Health Benefits Plan are permitted to enroll themselves and eligible dependents in the DEP at the time of retirement, but are subject to a maximum annual benefit limit of $1,500. The retiree pays the entire cost.

1989 Development Potential Bank Transfer Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized to provide for the acquisition and development rights of land by the State for recreation and conservation purposes.

Developmental Disabilities Waiting List Reduction Fund (P.L. 1994, c.108)

Special Revenue Fund

An amount of $160 million of General Obligation bonds was authorized for the purpose of planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of community based residential facilities for clients on the New Jersey Department of Human Services' Developmental Disabilities Waiting List.

Disciplinary Oversight Committee (R. 1:20-2)

Special Revenue Fund

This fund was established for the purpose of performing random audits of the books and records of New Jersey attorneys for compliance with standards established by the Supreme Court of New Jersey. Revenues are generated from annual attorney assessments paid by bar members.

Division of Motor Vehicles Surcharge Fund (P.L. 1994, c.57)

Special Revenue Fund

This fund is comprised of revenues from surcharges and interest for payment to the New Jersey Economic Development Authority to pay principle and interest applicable to bonds for the Market Transition Facility, Motor Vehicle Commission and Special Needs Housing Program. Excess funds are available for transfer to the State's General Fund.

Dredging and Containment Facility Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $185 million of General Obligation bonds was authorized for the construction of subaqueous pits, the construction of containment facilities, projects related to the decontamination of dredged materials, and dredging projects. Additionally, an amount of $20 million of General Obligation bond proceeds was authorized for the purpose of dredging navigation channels located in the port region.

Drinking Water State Revolving Fund (P.L. 1998, c.84)

Special Revenue Fund

This fund is the depository for the receipt of federal capitalization grants and other funds made available to the State for drinking water projects and set-asides pursuant to the Federal Safe Drinking Water Act.

1996 Economic Development Site Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized for the purchase of real property, equipment, and any building, construction, and miscellaneous site improvements associated with an economic development site.

Emergency Flood Control Fund (P.L. 1978, c.78)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized to acquire, develop, construct, and maintain flood control facilities and for the development of a comprehensive flood control master plan.

Emergency Medical Technician Training Fund (P.L. 1992, c.143)

Special Revenue Fund

This fund was established to annually reimburse any private agency, organization, or entity which is certified by the Commissioner of Health and Senior Services to provide training and testing for volunteer ambulance, first aid, and rescue squad personnel who are seeking emergency medical tech-ambulance and defibrillation intermediate, or who are taking refresher courses or recertification for which that entity is not otherwise reimbursed.

Emergency Services Fund (N.J.S.A. 52:14E-5)

Special Revenue Fund

This fund reimburses municipalities or counties for damage or excess costs as a result of an emergency. Payments must be certified by the Governor's Advisory Council and approved by the Governor.

Energy Conservation Fund (P.L. 1980, c.68)

Capital Projects Fund

Of the $50 million of General Obligation bonds that was authorized, $3 million is appropriated for energy audits and $47 million is appropriated for energy-saving renovations to educational facilities, institutions, and public buildings of the State.

Enterprise Zone Assistance Fund (P.L. 1983, c.303)

Special Revenue Fund

The purpose of this fund is to provide relief in certain areas of economic distress, by reducing sales and use tax paid by one half of the current tax rate. The revenues generated in these zones are made available to the municipalities located within the Urban Enterprise Zones for various approved revitalization projects.

1996 Environmental Cleanup Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $70 million of General Obligation bonds was authorized to provide for the remediation of hazardous discharge sites and for the construction of water supply facilities to replace potable water supplies determined to be contaminated or threatened by discharge.

1989 Farmland Preservation Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of the preservation of farmland for agricultural use and production.

1992 Farmland Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for farmland preservation and agricultural use.

1995 Farmland Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $50 million was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of farmland preservation and agricultural use.

Fund for Support of Free Public Schools (N.J.S.A. 18A:56-1)

Special Revenue Fund

The fund consists of proceeds from the sale of riparian lands, rents received on leased riparian State lands, licenses and fees related to such lands, and the income from earnings on investments. The income is appropriated by the Annual Appropriations Act for the support of free public schools. The income of the fund is then transferred to the General Fund in support of the appropriations.

The fund provides for the establishment of a school bond reserve. The school bond reserve consists of two accounts, the old school bond reserve account and the new school bond reserve account. The old school bond reserve account shall be funded in an amount equal to at least 1.5 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued prior to July 1, 2003. The new school bond reserve account shall be funded in an amount equal to at least 10 percent of the aggregate issued and outstanding bonded indebtedness of counties, municipalities, or school districts for school purposes for all such indebtedness issued on or after July 1, 2003, exclusive of bonds for debt service, which is provided by State appropriations.

Garden State Farmland Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Farmland Preservation Trust Fund was authorized for the preservation of farmland for agricultural use and production. It receives funding from the Garden State Preservation Trust.

Garden State Green Acres Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Green Acres Preservation Trust Fund was authorized for the acquisition and development of lands by the State for recreation and conservation purposes. It receives funding from the Garden State Preservation Trust.

Garden State Historic Preservation Trust Fund (P.L. 1999, c.152)

Special Revenue Fund

The Garden State Historic Preservation Trust Fund was authorized for the work relating to the conservation, improvement, repair, restoration, or stabilization of historic property. It receives funding from the Garden State Preservation Trust.

Garden State Preservation Trust (P.L. 1999, c.152)

Special Revenue Fund

The Trust was created to provide funding to the Garden State Farmland Preservation Trust Fund, the Garden State Green Acres Preservation Trust Fund, and the Garden State Historic Preservation Trust Fund for the preservation of open space, farmland and historic properties within the means provided by the 1998 constitutional amendment which dedicated $98 million annually in Sales and Use Tax revenues for such purposes. In 2003, voters approved a new constitutional amendment, P.L. 2004, c.126 that granted the Garden State Preservation Trust the authorization to issue up to $1.15 billion in bonds.

General Fund

This fund accounts for all State revenues not otherwise restricted by statute. The largest part of the total financial operations of the State is accounted for in the General Fund. Most revenues received from taxes, federal sources, and certain miscellaneous revenue items are recorded in this Fund. The Appropriations Act enacted by the State Legislature provides the basic framework for the operations of the General Fund.

Green Trust Fund (P.L. 1983, c.354)

Special Revenue Fund

An amount of $83 million of General Obligation bonds was authorized from the 1983 New Jersey Green Acres Fund for the purpose of making loans and grants to local government units for the acquisition and development of lands for recreation and conservation.

Gubernatorial Elections Fund (N.J.S.A. 54A:9-25.1)

Special Revenue Fund

This fund accounts for receipts from the one-dollar designation on New Jersey Gross Income Tax returns. When indicated by the taxpayer, one dollar of the tax is reserved from gross income tax revenues (Property Tax Relief Fund) and credited to the Gubernatorial Elections Fund. These funds are available for appropriation pursuant to The New Jersey Campaign Contributions and Expenditures Reporting Act, as amended.

Hazardous Discharge Fund of 1981 (P.L. 1981, c.275)

Special Revenue Fund

An amount of $100 million of General Obligation bonds was authorized for the identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Fund of 1986 (P.L. 1986, c.113)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized for the purpose of financing the cost of identification, cleanup, and removal of hazardous discharges.

Hazardous Discharge Site Cleanup Fund (P.L. 1985, c.247)

Special Revenue Fund

This fund was established for the purposes of preparing feasibility studies, engineering designs, and undertaking other work necessary for the cleanup or mitigation of hazardous discharge sites in the State. An amount of $100 million was appropriated from the Hazardous Discharge Fund of 1981.

Health Benefits Program Fund – Local (N.J.S.A. 52:14-17.25 et seq.)
Pension Trust Fund

The Health Benefits Program Fund, which includes Prescription Drug Program Fund (N.J.S.A. 52:14-17.29) provides medical and prescription drug coverage to active and retired local government employees who are qualified members of the Public Employees' Retirement System, Teachers' Pension and Annuity Fund, and the Alternate Benefit Program who retire from a board of education or county college with 25 years of service or are on a disability retirement. Active employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. Traditional plan coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. The traditional coverage is not available to future employees based upon bargaining agreements. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan that combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active local employee or a dependent is required to pay a co-payment when visiting an HMO or NJ PLUS affiliated physician. For prescription drugs, this program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs which, as required by Federal Law, can be dispensed only upon a written prescription ordered by a physician. This program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment for eligible prescription and prescription refill. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

Health Benefits Program Fund – State (N.J.S.A. 52:14-17.25 et seq.)
Pension Trust Fund

The Health Benefits Program Fund, which includes the Prescription Drug Program Fund (N.J.S.A. 52:14-17.29) provides medical and prescription drug coverage to qualified active and retired State employees, including employees of certain independent agencies, such as colleges and universities. Active employees may enroll in a traditional, point of service (NJ PLUS), or health maintenance organization (HMO) plan. Active employees pay a share of the charge for coverage based upon bargaining agreements. Traditional plan coverage includes basic and extended hospital benefits, medical-surgical benefits, and major medical benefits but generally does not include preventive or wellness care. The traditional coverage is not available to future employees based upon bargaining agreements. An HMO provides employees with complete coverage including wellness and preventive care for medical services provided by affiliated physicians and hospitals. NJ PLUS is a point of service plan that combines managed care with the option of reimbursement for services performed by out of network physicians, hospitals, or laboratories. An active State employee or a dependent is required to pay a co-payment when visiting an HMO or NJ PLUS affiliated physician. For prescription drugs, this program helps meet the cost of drugs prescribed for eligible employees and their dependents for use outside of hospitals, nursing homes, or other institutions. Included are those drugs which, as required by Federal Law, can be dispensed only upon a written prescription ordered by a physician. This program covers the full cost of a prescription item dispensed by a licensed participating pharmacy, less a co-payment for eligible prescription and prescription refill.

Under P.L. 1977, Chapter 136, the State pays for the health insurance coverage including prescription drug coverage of all enrolled retired State employees whose pensions are based upon 25 years or more of credited service or a disability retirement regardless of years of service. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents.

Health Care Subsidy Fund (P.L. 1992, c.160)

Special Revenue Fund

This fund is comprised of revenues from cigarette and tobacco taxes, HMO assessments, hospital assessments, cosmetic surgery taxes, ambulatory facility fees, General Fund appropriations, interest, and penalties. Monies in the fund shall be used to distribute charity and other uncompensated care disproportionate share payments to hospitals; provide subsidies for the New Jersey Kid Care program; and provide financial assistance for hospitals, other health care initiatives, and hospital bond assistance.

Higher Education Facility Renovation and Rehabilitation Fund (P.L. 1990, c.126)

Special Revenue Fund

The sum of $45 million of General Obligation bonds was appropriated from the Jobs, Education and Competitiveness Fund for the renovation and rehabilitation of existing higher education buildings at various State colleges and universities.

1992 Historic Preservation Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State matching grants to assist State agencies or entities, local government units, and qualifying tax exempt nonprofit organizations to meet the historic preservation project cost for historic properties, structures, facilities, or sites owned or leased on a long-term basis by those agencies, entities, units, or organizations.

1995 Historic Preservation Fund (P.L. 1995, c.204)

Special Revenue Fund

The purpose of this fund is to provide matching grants to assist State agencies or entities, local government units, and qualified tax-exempt nonprofit organizations to meet historic preservation project costs.

Historic Preservation Revolving Loan Fund (P.L. 1991, c.41)

Special Revenue Fund

There was appropriated $3 million to the Historic Preservation Revolving Loan Fund for the purpose of making low interest loans to counties, municipalities, or tax exempt non-profit organizations to finance the costs of acquiring, restoring, repairing, or rehabilitating historic structures.

Horse Racing Injury Compensation Fund (P.L. 1995, c.329)

Special Revenue Fund

The purpose of this fund is to provide workers' compensation coverage to employees in the thoroughbred and standardbred horse racing industries. The costs of providing coverage shall be funded from assessments to both the thoroughbred and standardbred industries based on their respective experience rating.

Housing Assistance Fund (P.L. 1968, c.127)

Special Revenue Fund

An amount of $12.5 million was authorized for interest rate subsidies on contracts and agreements with qualified mortgagors and mortgagees of housing developments to decrease rental and carrying charges to low and moderate income occupants of such housing, and to provide financial assistance to qualified housing developments that were constructed, financed, or rehabilitated under federal law and moderate income financing programs.

Human Services Facilities Construction Fund (P.L. 1984, c.157)

Capital Projects Fund

An amount of $60 million of General Obligation bonds was authorized for the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and equipping of human services facilities.

Insurance Annuity Trust Fund (Superior Court of New Jersey, Law Division, Morris County Docket No. L-081390-83)

Private Purpose Trust Fund

This fund was established to account for deposits made by Western National Life Insurance Company or its assignees on behalf of the State of New Jersey resulting from a lawsuit filed against the State.

Jobs, Education and Competitiveness Fund (P.L. 1988, c.78)

Special Revenue Fund

An amount of $350 million of General Obligation bonds was authorized for the construction, reconstruction, development, extension, improvement, and equipment of classrooms, academic buildings, libraries, computer facilities, and other higher education buildings at New Jersey's public and private institutions of higher education; the establishment and construction of advanced technology centers at public and private institutions of higher education; and for the expansion and construction of additional facilities at, and acquisition of additional and upgraded equipment for, existing advanced technology centers sponsored by the New Jersey Commission on Science and Technology.

Jobs, Science and Technology Fund (P.L. 1984, c.99)

Special Revenue Fund

An amount of $90 million of General Obligation bonds was authorized for the establishment and construction of a network of advanced technology centers at public and private institutions of higher education; providing for the construction and improvement of technical and engineering facilities and for high technology job training and retraining programs at public and private institutions of higher education.

Judicial Retirement System (N.J.S.A. 43:6A)

Pension Trust Fund

This system provides pension benefits to members of the State Judiciary. The system is maintained on an actuarial reserve basis.

Judiciary Bail Fund (R.3:26)

Agency Fund

The purpose of this fund is to serve as a repository for the collection of bail, the return of bail to the surety, and the remittance of associated revenues to the proper governmental agency.

Judiciary Child Support and Paternity Fund (Social Security Act, Title IV-D, as amended)

Agency Fund

The purpose of this fund is to serve as a repository for the collection of child support obligations and the subsequent remittance to the proper recipients.

Judiciary Probation Fund (N.J.S.A. 2C:46-4)

Agency Fund

The purpose of this fund is to serve as a repository for the collection and disbursement of court imposed financial obligations associated with the statewide probation function.

Judiciary Special Civil Fund (R.6)

Agency Fund

The purpose of this fund is to serve as a repository for the collection and disbursement of funds collected by the Special Civil Part of the Superior Court of New Jersey.

Korean Veterans' Memorial Fund (P.L. 1996, c.72)

Special Revenue Fund

The Korean Veterans' Memorial Fund is credited with funds collected by the Korean Veterans' Memorial Committee. The purpose of this fund is to provide maintenance of a memorial located in Atlantic City honoring the veterans of the Korean War.

1996 Lake Restoration Fund (P.L. 1996, c.70)

Special Revenue Fund

An amount of $5 million of General Obligation bonds was authorized for the removal of sand, silt, mud, sediment, rocks, stumps, vegetation, algae blooms, or other materials from lakes, or the abatement and control of pollution caused by storm water runoff, soil erosion, or other types of non-point source or point source pollution.

Lead Hazard Control Assistance Fund (P.L. 2003, c.311)

Special Revenue Fund

This fund was established for the purpose of providing grants or loans to eligible homeowners to make their homes lead-safe. Funds are received from various sources, including a $20 fee assessed to homeowners of multiple dwelling units, a portion of the Sales and Use Tax generated on the sale of paint, and the Catastrophic Illness in Children Relief Fund.

Legal Services Fund (P.L. 1996, c.52)

Special Revenue Fund

Revenues generated from the increase in certain filing fees in civil actions are credited to the fund and are used to provide legal services to the poor in civil matters, funding for ten Superior Court judgeships, and support to Rutgers-Newark Law School, Rutgers-Camden Law School, and Seton Hall Law School for clinical programs which provide free legal representation to the poor.

Luxury Tax Development Fund (N.J.S.A. 40:48-8.30a (B))

Agency Fund

This fund was established for the deposit of Luxury Tax revenues in excess of statutory requirements. Development funds are dedicated for various housing projects in Atlantic City.

Luxury Tax Fund (N.J.S.A. 40:48-8.30a (B), (P.L. 1991, c.375)

Special Revenue Fund

This fund accounts for revenues collected under the provisions of the Luxury Tax Fund Act. The act amends existing statutes wherein Atlantic City imposes a tax on certain sales and services. A portion of these tax revenues are dedicated to the payment of debt service on bonds issued for the construction of Convention Hall facilities, to subsidize Convention Center operating budget deficits, and to provide housing opportunities for low and moderate income families.

Medical Malpractice Liability Insurance Premium Assistance Fund (P.L. 2004, c.17)

Special Revenue Fund

This fund was established to provide medical malpractice liability insurance premium relief to certain health care providers who have experienced or are experiencing a liability insurance premium increase in an amount established by regulation by the Department of Banking and Insurance. Revenues in the fund are generated from a $3 per employee surcharge on those businesses who are subject to the "unemployment compensation law" and an annual $75 assessment of certain health care professionals and attorneys.

Mortgage Assistance Fund (P.L. 1976, c.94)

Special Revenue Fund

An amount of $25 million of General Obligation bonds was authorized for mortgage assistance and to spur construction, rehabilitation, and maintenance of housing for senior citizens and families of low and moderate income, and to provide funds for second mortgages and for a neighborhood preservation program.

Motor Vehicle Commission Fund (P.L. 2003, c.13)

Capital Projects Fund

The Motor Vehicle Security and Customer Service Act created the Motor Vehicle Commission Fund which authorized the issuance of $160 million in installment obligation bonds. An amount of $10 million was transferred to the Administrative Office of the Courts for improvements to the automated traffic system, while the remainder was for the payment of the costs of capital improvements for Motor Vehicle Commission facilities, including but not limited to building improvements, and the acquisition and installation of furniture, fixtures, machinery, computers and electronic equipment.

Motor Vehicle Security Responsibility Fund (N.J.S.A. 39:6-30.1)

Private Purpose Trust Fund

Security deposits made by motorists not having the required minimum motor vehicle insurance coverage in the State, who have been involved in a motor vehicle accident resulting in bodily injury or death and/or property damage, are recorded in this fund. The deposits may be disbursed in satisfaction of judgments rendered or returned to the motorist upon release of liability.

Municipal Landfill Closure and Remediation Fund (P.L. 1996, c.124)

Special Revenue Fund

This fund is dedicated for the purpose of reimbursing a developer who enters into a redevelopment agreement related to the closure, remediation, and redevelopment of municipal landfill sites and is certified for reimbursement in accordance with the provisions of the law. Costs of the closure and remediation of the municipal solid waste landfill may be eligible for a 75.0 percent reimbursement upon the commencement of a business operation within a redevelopment project. The reimbursements are made from designated Sales and Use Tax collections.

Natural Resources Fund (P.L. 1980, c.70)

Special Revenue Fund

An amount of $145 million of General Obligation bonds was authorized to fund state and local projects for resource recovery, sewage treatment, water supply, dam restoration, and harbor clean-up projects.

New Home Warranty Security Fund (N.J.S.A. 46:3B-7)

Special Revenue Fund

Monies received from participating builders of dwellings not previously occupied, excluding those constructed solely for lease, are deposited into this fund. Payments are authorized by approved claims of owners for defects in new homes covered by the new home warranty.

New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation Fund (P.L. 1989, c.180)

Capital Projects Fund

An amount of $115 million of General Obligation bonds was authorized for the purposes of rehabilitating and improving bridges in the State and the preservation and acquisition of railroad rights-of-way.

New Jersey Building Authority (N.J.S.A. 52:18A-78.4)

Special Revenue Fund

The New Jersey Building Authority is authorized to construct and rehabilitate office buildings and related facilities for use by State agencies. The Authority is authorized to issue bonds and notes to provide funds for the construction and the rehabilitation of the above related projects. Debt service on outstanding bonds is paid through lease agreements with the State.

1995 New Jersey Coastal Blue Acres Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of providing State grants and loans to assist local government units to meet the coastal blue acres cost of acquiring, for recreation and conservation purposes, lands in the coastal area that have been damaged by, or may be prone to incurring damage caused by, storms or storm-related flooding, or may buffer or protect other lands from such damage.

New Jersey Cultural Trust Fund (P.L. 2000, c.76)

Special Revenue Fund

The Annual Appropriations Act provides funding to a dedicated non-lapsing account in the General Fund. The State Treasurer shall transfer to the trust fund from this account an amount equal to donations made to the Cultural Trust Fund subject to the availability of monies in the dedicated account. Interest or other monies earned on the deposits made to the fund shall be used for assisting in the funding of capital facilities projects and endowment development, and contributing to the financial stability of qualified organizations in New Jersey.

1983 New Jersey Green Acres Fund (P.L. 1983, c.354)

Special Revenue Fund

An amount of $135 million of General Obligation bonds was authorized for public acquisition and development of land for recreation and conservation purposes. Of this amount, $52 million has been allocated for the acquisition and development of land by the State. An amount of $83 million has been transferred to the Green Trust Fund for grants or loans to local governmental entities for acquisition or development of land.

1989 New Jersey Green Acres Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $90 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for State grants to assist local governmental entities to acquire and develop land for recreation and conservation purposes.

1992 New Jersey Green Acres Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $80 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of acquiring and developing land by the State for recreation and conservation purposes.

1995 New Jersey Green Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $115 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and the Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1989 New Jersey Green Trust Fund (P.L. 1989, c.183)

Special Revenue Fund

An amount of $140 million of General Obligation bonds was authorized from the 1989 Open Space Preservation Bond Act to provide monies for public acquisition and development of land for recreation and conservation purposes.

1992 New Jersey Green Trust Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $120 million of General Obligation bonds was authorized from the Green Acres, Clean Water, Farmland and Historic Preservation Bond Act of 1992 for the purpose of providing State grants and loans to assist local governmental entities to acquire and develop land for recreation and conservation.

1995 New Jersey Green Trust Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $135 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 to provide monies for public acquisition and development of land for recreation and conservation purposes.

1995 New Jersey Inland Blue Acres Fund (P.L. 1995, c.204)

Special Revenue Fund

An amount of $15 million of General Obligation bonds was authorized from the Green Acres, Farmland and Historic Preservation Bond Act of 1995, and Blue Acres Bond Act of 1995 for the purpose of acquiring inland blue acres for recreation and conservation purposes and lands in the floodway of the Passaic River and its tributaries that have been damaged by, or may be prone to incurring damage caused by, storms or storm related flooding, or that may buffer or protect other lands from such damage.

New Jersey Insolvent Health Maintenance Organization Assistance Fund (P.L. 2000, c.12)

Special Revenue Fund

The purpose of this fund is to protect, subject to certain limitations, covered individuals and providers against the failure or inability of HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. to perform certain contractual obligations due to their insolvency. An amount of $41.1 million from the Tobacco Settlement Fund as well as an aggregate amount not to exceed $50 million from HIP Health Plan of New Jersey, Inc. and the American Preferred Provider Plan, Inc. has been appropriated to this fund.

New Jersey Lawyers' Assistance Program (R. 1:28B)

Special Revenue Fund

This fund provides assistance to members of the New Jersey Bar, law students, and law school graduates who have an alcohol, drug abuse, and/or gambling problems. Each nonexempt member of the Bar is required to pay $3 annually if in their second year of practice and $6 annually for attorneys in their third year to forty-ninth year.

New Jersey Lawyers' Fund for Client Protection (R. 1:28-7)

Special Revenue Fund

This fund was established for the purpose of reimbursing, to the extent and in the manner provided by rules and regulations, losses resulting from dishonest conduct by members of the Bar of the State of New Jersey. Annual payments are made to this fund by each member of the Bar of the State of New Jersey.

New Jersey Local Development Financing Fund (N.J.S.A. 34:1B-36)

Special Revenue Fund

An amount of $45 million of General Obligation bonds was authorized to capitalize the New Jersey Local Development Financing Fund. The fund provides financial assistance to municipal governments, local development corporations, and other organizations sponsoring commercial and industrial projects which encourage municipal economic development.

New Jersey Racing Industry Special Fund (P.L. 2001, c.199)

Special Revenue Fund

The New Jersey Racing Industry Special Fund accounts for inactive or dormant wagering accounts, breakage and outstanding parimutuel money exceeding required racing costs, and the excess takeout rate. Money deposited shall be disbursed monthly by the New Jersey Racing Commission primarily to those holding permits to conduct horse racing.

New Jersey Schools Construction Corporation

Special Revenue Fund

The New Jersey Schools Construction Corporation was created for the purpose of establishing a more concentrated focus and streamlined approach to the timely and efficient construction of quality schools in New Jersey. As a result of the New Jersey Educational Facilities Construction and Financing Act, the State is required to provide certain educational infrastructure improvements in the poor, urban school districts (Abbott School Districts) so that students in these school districts can receive a thorough and efficient education. The Corporation is responsible for funding (full or partial), designing, and constructing all school facilities projects in the Abbott School Districts, in districts eligible to receive 55 percent or more in State funding for education, and in districts that are designated as level II State monitoring by the New Jersey Department of Education (DOE). The Corporation is responsible for providing grants to fund the State share of school facilities projects approved by the DOE in districts with a district aid percentage of less than 55 percent.

New Jersey Spill Compensation Fund (N.J.S.A. 58:10-23.11i)

Special Revenue Fund

Receipts from taxes and penalties levied on each owner or operator of a major facility of hazardous substances are deposited in this fund. The tax is measured by the number of barrels of hazardous substances of the first transfer to the major facility. Payments may be authorized for clean-up costs, removal costs, research, and payments of approved claims.

New Jersey Spinal Cord Research Fund (P.L. 1999, c.201)

Special Revenue Fund

A $1 surcharge on motor vehicle fines and penalties are credited to this fund. Money collected shall be used exclusively for the purpose of making grants for approved spinal cord research projects at qualified research institutions.

New Jersey State Employees' Deferred Compensation Plan (N.J.S.A. 52:18A-164)

Pension Trust Fund

This fund represents the activity of the deferred compensation plan by which amounts contributed by participating employees are invested through various investment options. Included in the fund are those amounts contributed by participants through payroll withholding, plus investment earnings and appreciation in asset values related to those monies.

New Jersey Transportation Trust Fund Authority (N.J.S.A. 27:1B-4)

Special Revenue Fund

The New Jersey Transportation Trust Fund Authority was created to provide the payment for and financing of all, or a portion of, the costs incurred by the Department of Transportation and the New Jersey Transit Corporation for the planning, acquisition, engineering, construction, reconstruction, repair, and rehabilitation of the State's transportation system.

New Jersey Workforce Development Partnership Fund (P.L. 1992, c.44)

Special Revenue Fund

This fund was established to provide qualified displaced, disadvantaged, and employed workers with employment and training services most likely to provide the greatest opportunity for long range career advancement with high levels of productivity and earning power. The program shall provide those services by means of training grants or customized training services, provided the funding is not available from federal or other sources. Beginning January 1, 1993, each worker and employer shall contribute to the fund an amount equal to 0.025 percent of the workers' wages. These funds will reduce contributions to the Unemployment Compensation Fund.

Pension Adjustment Fund (N.J.S.A. 43:3B)

Agency Fund

The Pension Adjustment Fund (PAF) is a pay-as-you-go multiple-employer defined benefit plan which was established in 1958 under the provisions of N.J.S.A. 43:3B. The PAF provides a cost-of-living increase through a yearly State appropriation which is disbursed monthly to the Consolidated Police and Firemen's Pension Fund, Prison Officers' Pension Fund, and the Central Pension Fund.

Petroleum Overcharge Reimbursement Fund (P.L. 1987, c.231)

Special Revenue Fund

The Petroleum Overcharge Reimbursement Fund accounts for monies received by the State from the Federal government pursuant to court settlements with various petroleum companies and distributors as payments for overcharges for petroleum products. Appropriations are made from the fund for energy efficiency and conservation programs.

Pinelands Infrastructure Trust Fund (P.L. 1985, c.302)

Special Revenue Fund

An amount of $30 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local governmental entities for transportation, wastewater treatment, water supply, and other infrastructure capital projects necessary to accommodate development in the pinelands area.

Police and Firemen's Retirement System (N.J.S.A. 43:16A)

Pension Trust Fund

All police and firemen, appointed after June 1944 in municipalities where local police and firemen pension funds existed or where this system was adopted by referendum or resolution, are required to become members of this system. Certain State and county employees are also covered. Employer obligations are paid by the local employers and the State. This fund is maintained on an actuarial reserve basis.

Pollution Prevention Fund (P.L. 1991, c.235)

Special Revenue Fund

This fund was established to fund the implementation of a comprehensive pollution prevention program which integrates the air pollution, water pollution, and hazardous waste management programs. The fund shall be credited with fees imposed upon employers and collected by the New Jersey Department of Labor.

Prison Officers' Pension Fund (N.J.S.A. 43:7)

Pension Trust Fund

This is a closed system for certain employees of State penal institutions and is funded on a pay-as-you-go basis.

Property Tax Relief Fund (N.J.S.A. 54A:9-25)

Special Revenue Fund

This fund accounts for revenues from the New Jersey Gross Income Tax and a portion of the New Jersey Sales and Use Tax. Revenues realized from the Gross Income Tax are dedicated by the State Constitution. All receipts from taxes levied on personal income of individuals, estates, and trusts must be appropriated exclusively for the purpose of reducing or offsetting property taxes. P.L. 2006, c.44 increased the sales tax rate from six percent to seven percent, of the additional one percent, half a percent was dedicated to the Property Tax Relief Fund. Annual appropriations are made from the fund, pursuant to formulas established by the Legislature, to counties, municipalities, and school districts.

Public Employees' Retirement System (N.J.S.A. 43:15A)

Pension Trust Fund

Most public employees in New Jersey, not required to become members of another contributory retirement program, are required to enroll in this system. The retirement benefits of this system are coordinated, but not integrated, with Social Security. This fund is maintained on an actuarial reserve basis.

Public Purpose Buildings and Community-Based Facilities Construction Fund (P.L. 1989, c.184)

Capital Projects Fund

An amount of $125 million of General Obligation bonds was authorized for the purpose of the planning, construction, reconstruction, development, erection, acquisition, extension, improvement, rehabilitation, and the equipping of State and community-based human services facilities and State correctional facilities.

Public Purpose Buildings Construction Fund (P.L. 1980, c.119)

Capital Projects Fund

An amount of $159 million of General Obligation bonds was authorized for construction of public purpose buildings, including $50 million for facilities for the mentally retarded, $67 million for correctional facilities, $7 million for a veterans' long-term care facility, $3.5 million for facilities for children in need of supervision, and $21.5 million for facilities for the mentally ill. The fund also provided $10 million to the Department of Human Services for the establishment of a loan guarantee fund to encourage the construction of long-term care facilities which will provide additional Medicaid beds.

Real Estate Guaranty Fund (N.J.S.A. 45:15-34)

Special Revenue Fund

Monies received from additional fees on annual licenses of real estate brokers and real estate salesmen are deposited in this fund. Claim payments, as certified by court orders, are made to persons aggrieved by the embezzlement, conversion, or unlawful obtaining of money or property by a licensed real estate broker or a real estate salesman, or an unlicensed employee of a real estate broker.

Resource Recovery and Solid Waste Disposal Facility Fund (P.L. 1985, c.330)

Special Revenue Fund

An amount of $85 million of General Obligation bonds was authorized to provide funds for loans or grants to local government units for the construction of resource recovery facilities and environmentally sound sanitary landfill facilities.

Resource Recovery Investment Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the investment tax and waste importation tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this fund. The revenues are then allocated to counties based on statutory regulations.

Retail Margin Fund (P.L. 1999, c.23)

Special Revenue Fund

This fund accounts for revenues collected from a "retail margin charge" collected mostly from what are generally larger commercial and industrial utility customers. Funds generated from this charge are used to support initiatives of the Board of Public Utilities related to commercial and industrial-based customers.

Safe Drinking Water Fund (N.J.S.A. 58:12A-12)

Special Revenue Fund

This fund accounts for tax revenues collected from owners or operators of public community water systems pursuant to the Safe Drinking Water Act. Monies in this fund are subject to appropriation to the Department of Environmental Protection for all costs associated with the department's administration of programs set forth in the Act.

Sanitary Landfill Facility Contingency Fund (N.J.S.A. 13:1E-100)

Special Revenue Fund

Receipts from taxes and penalties levied upon each owner or operator of every sanitary landfill facility are deposited in this fund. The tax is levied per cubic yard of solids and per gallon of liquids. The fund shall be liable for all direct and indirect damages resulting from the operations or closure of any sanitary landfill.

Shore Protection Fund (P.L. 1983, c.356)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of State projects and the making of State grants and loans to counties and municipalities for researching, planning, acquiring, developing, constructing, and maintaining shore protection projects. Of the total available, $40 million was allocated for State shore protection projects and for State grants to counties and municipalities. The remaining $10 million was allocated for State loans to counties and municipalities.

Solid Waste Service Tax Fund (P.L. 1985, c.38)

Agency Fund

Receipts generated by the solid waste services tax plus any interest earned thereon, levied upon all owners or operators of sanitary landfill facilities who accept solid waste for disposal, are deposited in this fund. The revenues are then allocated to provide state aid to counties.

Special Transportation Fund (N.J.S.A. 27:1B-21)

Capital Projects Fund

This fund was established in accordance with the enactment provisions of the New Jersey Transportation Trust Fund Authority. The fund accounts for the receipt of resources from the New Jersey Transportation Trust Fund Authority and related federal grant awards, and the expenditure of these funds for authorized public transportation projects. The funds can only be expended by the Department of Transportation pursuant to appropriations or authorizations made by the State Legislature.

State Disability Benefit Fund (N.J.S.A. 43:21-46a)

Special Revenue Fund

Deposits from contributions of workers and employers who are subject to the contribution section on taxable wages under the unemployment compensation law of the State are recorded in the fund. Deposits are also made from special assessments, fines, penalties, and investment earnings. Payments from the fund may be made to persons entitled to disability benefits and benefits not covered by the Workers' Compensation Law, for authorized refunds of contributions, and for administrative expenses.

State Facilities for Handicapped Fund (P.L. 1973, c.149)

Capital Projects Fund

An amount of $25 million of General Obligation bonds was authorized for the expansion and renovation of the Marie H. Katzenbach School for the Deaf and for the planning, acquisition, improvements, and construction of regional day-school facilities to educate children with severe handicaps.

State Land Acquisition and Development Fund (P.L. 1978, c.118)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized for State and local acquisition and development to continue efforts to conserve open space and provide recreation areas. Half of the amount is allocated to urban areas.

State Lottery Fund (N.J.S.A. 5:9-21)

Proprietary Fund

Monies derived from the sale of State lottery tickets are deposited into this fund. Disbursements are authorized for the payment of prizes to holders of winning lottery tickets and for the administrative expenses of the Division of State Lottery. Remaining balances are paid to the General Fund in support of the amounts annually appropriated for State institutions and for education. The present value of obligations for future installment payments of lottery prizes funded by the purchase of deposit fund contracts are accounted for in this Fund.

State of New Jersey Cash Management Fund-External Portion (N.J.S.A. 52:18A-90.4)

Investment Trust Fund

This fund serves as an investment pool to consolidate monies for municipalities, counties, school districts, and any other public body corporate or politic.

State Police Retirement System (N.J.S.A. 53:5A)

Pension Trust Fund

This system is the State Police Retirement and Benevolent Fund's successor. All uniformed officers and troopers of the Division of State Police in the New Jersey Department of Law and Public Safety are required to enroll. This system is maintained on an actuarial reserve basis.

State Recreation and Conservation Land Acquisition and Development Fund (P.L. 1974, c.102)

Special Revenue Fund

An amount of $200 million of General Obligation bonds was authorized to enable the State to acquire and develop land and to provide for State grants to assist municipalities, counties, and other units of local government to acquire and develop land for recreation and conservation purposes.

State Recycling Fund (N.J.S.A. 12:1E-92)

Special Revenue Fund

P.L. 2002, c.128 requires that 25.0 percent of the balance in the Clean Communities Account Fund, but not more than $4 million per year, is appropriated to this fund in order to provide recycling grants to municipalities and counties for local recycling programs.

1999 Statewide Transportation and Local Bridge Fund (P.L. 1999, c.181)

Capital Projects Fund

An amount of $500 million of General Obligation bonds was authorized for the purpose of rehabilitating and improving State transportation, including local bridges. Of this sum, $250 million was reserved for grants to county and municipal governments for the cost of rehabilitation and improvement of structurally deficient bridges carrying county or municipal roads including railroad overhead bridges. The remaining $250 million is reserved for transportation projects.

Stormwater Management and Combined Sewer Overflow Abatement Fund (P.L. 1989, c.181)

Special Revenue Fund

An amount of $50 million of General Obligation bonds was authorized for the purpose of providing grants and loans to local government units for the cost of projects identified pursuant to the stormwater management and combined sewer overflow abatement project priority list.

Superior Court of New Jersey Trust Fund (R. 4:57-2 to 5)

Special Revenue Fund

This fund accounts for monies representing deposits made in court as a result of litigation, including foreclosures, condemnations, liquidations, dissolutions, good faith deposits by liability insurers, sale of infants' lands, insolvencies, receiverships, and interpleaders.

Supplemental Annuity Collective Trust (N.J.S.A. 52:18A-110)

Pension Trust Fund

Any active, contributing member of the seven State-administered retirement systems may enroll in this program. Members agree to make voluntary additional contributions through their pension funds to purchase variable retirement annuities in order to supplement the benefits provided by their basic system. Some employers agree to purchase tax-sheltered annuities for the same purpose for certain eligible public employees.

Supplemental Workforce Fund for Basic Skills (PL 2002, c.152)

Special Revenue Fund

The monies in this fund shall be used for the basic skills training; reemployment services, and training programs for displaced disadvantaged workers. Each worker shall contribute 0.0175 percent of their wages to the Fund as determined by paragraph (3) of subsection (b) of R.S. 43:21-7.

Teachers' Pension and Annuity Fund (N.J.S.A. 18A-66)

Pension Trust Fund

Most employees in every school district in the State and in the county vocational schools, as well as certain employees in the State Department of Education, are members of this system. The system of retirement benefits is coordinated, but not integrated, with Social Security. The fund is maintained on an actuarial reserve basis.

Tobacco Settlement Financing Corporation, Inc. (P.L. 2002, c.32)

Special Revenue Fund

The Tobacco Settlement Financing Corporation, Inc. has been established in, but not of, the Department of the Treasury. The State sold to the corporation rights, title, and interest in, and the right to receive the amounts payable under the 1998 Master Settlement Agreement (MSA) reached between 46 states and the major tobacco companies. The Corporation has sold and refinanced Tobacco Settlement Asset-Backed Bonds. Receipts under the MSA were pledged to the bondholders, with any unpledged revenue available to the State.

Tobacco Settlement Fund

Special Revenue Fund

Payments received from the Master Settlement Agreement (MSA), dated November 23, 1998, are deposited into this fund. The MSA is the national settlement reached with the tobacco industry in which participating states will be paid in perpetuity.

Tourism Improvement and Development Fund (P.L. 1992, c.165)

Special Revenue Fund

This fund was established for the deposit of tax revenues collected from predominantly tourism related sales, such as the occupancy of every hotel room subject to tax and receipts from the sale of food or drink, except those sold through vending machines. These funds are to be used to fund tourism facility improvements without placing the onus on the permanent residents and businesses.

Trial Attorney Certification Program (R. 1:39-1 (h)

Special Revenue Fund

This fund was established to assist the New Jersey Supreme Court in the administration of the certification function for civil or criminal trial attorneys.

Unclaimed Child Support Trust Fund (P.L. 1995, c.115)

Special Revenue Fund

All monies received, as abandoned child support shall be deposited into this fund. Each year, within 45 days of the receipt of such funds, payments shall be made to the Judiciary consisting of the Federal Government's Title IV-D share. The remaining portions shall be used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed County Deposits Trust Fund (P.L. 1992, c.173)

Private Purpose Trust Fund

All monies received as unclaimed county deposits shall be deposited in the fund. Each year 75 percent of the deposits received from a respective county shall be paid to that county. The remaining portion shall be retained in the Fund and used to pay claims duly presented and allowed and all expenses and costs incurred by the State of New Jersey.

Unclaimed Insurance Payments on Deposit Accounts Fund

Private Purpose Trust Fund

The Unclaimed Deposits Amendment Act of 1993 (UDAA) controls the disposition of unclaimed insurance payments on deposit accounts for insured depository institutions which are placed into receivership after July 28, 1993. Pursuant to the UDAA, unclaimed insurance deposits are placed into this fund and held for ten years. Payments will be made to the owner upon determining that such individual or entity is the rightful owner of such funds. At the end of the ten-year period, any remaining deposits will be forwarded to the Federal Deposit Insurance Corporation.

Unclaimed Utility Deposits Trust Fund (P.L. 2000, c.132)

Special Revenue Fund

All monies received in unclaimed property deposits from electric and gas utilities are deposited into this fund. Each year, unless the administrator deems it prudent and advisable to do otherwise, the administrator shall pay to the New Jersey Statewide Heating Assistance and Referral for Energy Services, a non-profit corporation, or to another statewide non-profit energy assistance organization designated by the Board of Public Utilities within 45 days of the receipt of such funds, 75.0 percent of the unclaimed utility deposits received from each of the electric and gas utilities by the administrator. Money received from the administrator shall be used exclusively for the payment of expenses associated with the restoration of electric or gas service, or to prevent the termination of electric or gas service. The remaining portion shall be retained in the fund and used to pay claims duly presented and allowed.

Unemployment Compensation Auxiliary Fund (N.J.S.A. 43:21-14g)

Special Revenue Fund

Amounts collected as penalties and interest assessed against employers who have failed to make payment of contributions required under the Unemployment Compensation Law to the State on a timely basis are deposited in this fund. Payments from the fund are authorized for the refund of any interest and/or penalty credited hereto, determined to have been collected or remitted by mistake. The remaining amounts may be expended by appropriations for administrative costs of the Unemployment Compensation Law and for costs of programs which generate employment, such as the Work Incentive Program, authorized training programs, and economic development activities.

Unemployment Compensation Fund (N.J.S.A. 43:21-9a)

Proprietary Fund

This fund accounts for monies deposited from contributions of employers and employees for unemployment compensation, amounts credited or advances made by the Federal government, and amounts received herein from any other source.

After consideration is given to any claim for refund of overpayment of contributions, the remainder is transferred by the Division of Employment Security to the Treasurer of the United States for credit to the State of New Jersey Unemployment Compensation Fund and held by the Treasurer of the United States in the State of New Jersey Unemployment Trust Fund. Drawdowns against the State of New Jersey Unemployment Trust Fund are made by requests submitted to the Treasurer of the United States by the Division of Employment Security on an as-needed basis, whereby amounts are transferred back to the Unemployment Compensation Fund and are then disbursed by the Division of Employment Security to persons entitled to receive unemployment benefits.

Any shortfall in the Unemployment Compensation Fund needed to pay benefits is covered by Federal statutes, which authorize advances from the Federal government for unemployment benefits. Such advances are repayable by increased rates on federally taxable wages reported by New Jersey employers, or the advances may be repaid out of the fund assets at any time by the Governor.

Universal Services Fund (P.L. 1999, c.23)

Special Revenue Fund

Monies deposited into this fund are generated from a "societal benefit charge" on monthly utility bills. The funds generated from the charge support the Lifeline program, clean energy initiatives and provide financial assistance to low income utility customers.

University of Medicine and Dentistry of New Jersey - Self-Insurance Reserve Fund

(N.J.S.A. 52:18A-1 et seq.)

Special Revenue Fund

This fund was established by a trust agreement between the State and the University of Medicine and Dentistry to cover malpractice claims against the hospitals and the University. This insurance is required by the New Jersey Health Care Facilities Financing Authority for protection of the Authority's bondholders.

Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund (P.L. 1997, c.125)

Special Revenue Fund

An amount of $20 million of General Obligation bonds was authorized to provide financing for the demolition and disposal of unsafe buildings in urban and rural centers.

Vietnam Veterans' Memorial Fund (P.L. 1985, c.494)

Special Revenue Fund

This fund receives monies from donations and income tax designations to fund the Vietnam Veterans' Memorial honoring New Jersey veterans of the Vietnam conflict.

Volunteer Emergency Service Organizations Loan Fund (P.L. 1987, c.8)

Special Revenue Fund

The purpose of this fund is to provide low-interest loans to volunteer emergency service organizations for the purpose of modernizing or replacing outmoded or unsafe emergency vehicles, apparatus, equipment, or facilities, or to establish facilities to meet an increasing demand for a higher level of service in the communities in which they serve.

Wage and Hour Trust Fund (N.J.S.A. 34:11-57)

Agency Fund

The Wage and Hour Trust Fund consists of four agency accounts which are used to collect wage settlements from employers who are deemed to have violated one or more, of the various components of the New Jersey Wage and Hour Law; and, to disburse the funds collected to employees who are entitled to receive the wages.

Wastewater Treatment Fund (P.L. 1985, c.329)

Special Revenue Fund

An amount of $190 million of General Obligation bonds was authorized for the purpose of financing the cost of construction of wastewater treatment systems. Of the total amount authorized, $145 million is allocated for the purpose of making grants and low or zero interest loans to local government units for financing the cost of the construction of wastewater treatment systems. In addition, this fund is the depository for the receipt of federal capitalization grants made available to the State for the purpose of financing wastewater treatment systems.

1992 Wastewater Treatment Fund (P.L. 1992, c.88)

Special Revenue Fund

An amount of $45 million was authorized for the purpose of making zero interest loans to local governmental entities for wastewater treatment system projects, in order to bring such systems into full compliance with permits issued pursuant to the Water Pollution Control Act; to provide adequate wastewater treatment in areas where large numbers of septic systems have malfunctioned or become obsolete; or to connect an obsolete or malfunctioning wastewater treatment system to another wastewater treatment system.

Water Conservation Fund (P.L. 1969, c.127)

Special Revenue Fund

An amount of $271 million of General Obligation bonds was authorized to conduct research, plan, acquire, develop, construct, and maintain water supply and wastewater treatment facilities for the preservation, sale, or exchange of water for potable, industrial, commercial, irrigational, recreational, and other public purposes.

2003 Water Resources and Wastewater Treatment Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $45 million of General Obligation bonds was authorized to provide loans to, or on behalf of, local governmental entities or public water utilities to finance the costs of water resources projects or to make improvements to water supply facilities, or to provide loans to, or on behalf of, local governmental entities to finance the costs of wastewater treatment system projects.

2003 Water Resources and Wastewater Treatment Trust Fund (P.L. 2003, c.162)

Special Revenue Fund

An amount of $5 million of General Obligation bonds was authorized to establish reserve accounts to secure debt issued by the New Jersey Environmental Infrastructure Trust and loan guarantee accounts to secure debt issued by a local government unit. Monies in the reserve and loan guarantee accounts may be made available to the New Jersey Department of Environmental Protection, with the concurrence of the New Jersey Environmental Infrastructure Trust, for temporary use by the department in implementing the provisions of the Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project Bond Act of 2003.

Water Supply Fund (P.L. 1981, c.261)

Special Revenue Fund

An amount of $350 million of General Obligation bonds was authorized to provide loans for State or local projects for the rehabilitation, repair, or consolidation of antiquated, damaged, or inadequately operating water supply facilities, as recommended by the New Jersey Water Supply Master Plan.

Water Supply Replacement Trust Fund (P.L. 1988, c.106)

Special Revenue Fund

This fund provides loans to municipalities or municipally owned public water systems for the purpose of providing a permanent alternate water supply to persons whose principal source of potable water is contaminated or is threatened with contamination by hazardous substances.

Worker and Community Right to Know Fund (N.J.S.A. 34:5A-1)

Special Revenue Fund

This fund was established to account for all fees collected from employers pursuant to the Worker and Community Right to Know Act. Monies in the fund are allocated for expenses incurred by the Department of Health and Senior Services, Department of Environmental Protection, Department of Labor and Workforce Development, and the Department of the Treasury in connection with the Act's provisions.

Workers' Compensation Security Fund (P.L. 2004, c.179)

Special Revenue Fund

Monies received from assessments levied against mutual and stock insurance carriers writing workers' compensation insurance in the State are deposited into this fund. Payments are made to persons entitled to receive workers' compensation when a mutual or stock carrier is determined to be insolvent.

Other Information

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN GROSS CAPITAL ASSETS BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006*	Additions	Deductions	Transfers/ Adjustments**	Balance June 30, 2007
FUNCTION:					
Public safety and criminal justice	$ 1,560,101,297	$ 58,312,315	$ 2,588,547	$ (72,587,307)	$ 1,543,237,758
Physical and mental health	280,553,458	20,519,418	1,761,480	6,525,927	305,837,323
Educational, cultural, and intellectual development	354,821,172	16,379,709	469	(10,365,895)	360,834,517
Community development and environmental management	2,268,865,116	107,786,387	2,993,881	1,828,171	2,375,485,793
Economic planning, development, and security	110,311,984	9,437,011	--	10,493,124	130,242,119
Transportation programs	18,464,832,205	1,328,409,410	5,109,732	(42,818,602)	19,745,313,281
Government direction, management, and control	730,630,757	30,324,714	14,076,430	3,988,673	750,867,714
Special government services	211,284,859	33,832,291	--	61,082,160	306,199,310
Total Gross Capital Assets By Function	$ 23,981,400,848	$ 1,605,001,255	$ 26,530,539	$ (41,853,749)	$ 25,518,017,815

* The opening balance has been restated by $46,093,600 to reflect the addition of intangible assets and revised land and building improvements.

** Transfers/Adjustments represent a revaluation and reclassification of assets among statewide functions.

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF GROSS CAPITAL ASSETS BY FUNCTION
JUNE 30, 2007

	Land and Easements	Land Improvements	Buildings and Improvements
FUNCTION:			
Public safety and criminal justice	$ 20,909,574	$ 59,039,472	$ 1,059,942,202
Physical and mental health	1,914,136	1,058,392	199,065,855
Educational, cultural, and intellectual development	9,761,892	13,851,472	257,145,399
Community development and environmental management	2,004,547,607	77,898,297	232,368,713
Economic planning, development, and security	768,215	279,034	107,877,999
Transportation programs	2,130,944,009	9,143,406	165,227,924
Government direction, management, and control	12,768,952	39,626,662	552,781,164
Special government services	2,408,922	336,132	192,919,986
Total Gross Capital Assets By Function	$ 4,184,023,307	$ 201,232,867	$ 2,767,329,242

* Machinery and Equipment includes purchased and/or internally developed software applications. New Jersey began capatilizing software prospectively in FY 2006.

Machinery and Equipment*	Infrastructure	Construction in Progress	Total
$ 115,270,866	$ 36,324,957	$ 251,750,687	$ 1,543,237,758
18,256,142	6,964,403	78,578,395	305,837,323
32,624,612	11,379,184	36,071,958	360,834,517
16,174,873	3,831,446	40,664,857	2,375,485,793
9,066,050	173,427	12,077,394	130,242,119
105,578,105	14,456,008,234	2,878,411,603	19,745,313,281
72,150,308	895,791	72,644,837	750,867,714
1,941,075	--	108,593,195	306,199,310
$ 371,062,031	$ 14,515,577,442	$ 3,478,792,926	$ 25,518,017,815

STATE OF NEW JERSEY
CAPITAL ASSETS
SCHEDULE OF CHANGES IN ACCUMULATED DEPRECIATION BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Balance July 1, 2006*	Depreciation Expense	Disposals	Balance June 30, 2007
FUNCTION:				
Public safety and criminal justice	$ 738,083,350	$ 61,519,730	$ 1,181,159	$ 798,421,921
Physical and mental health	111,669,450	9,345,441	1,761,480	119,253,411
Educational, cultural, and intellectual development	182,358,695	12,763,806	577	195,121,924
Community development and environmental management	150,701,655	13,226,395	2,974,440	160,953,610
Economic planning, development, and security	64,476,615	10,692,003	--	75,168,618
Transportation programs	5,543,174,322	396,199,752	3,813,581	5,935,560,493
Government direction, management, and control	271,979,425	27,642,598	11,788,291	287,833,732
Special government services	68,113,444	4,783,914	--	72,897,358
Total Accumulated Depreciation By Function	$ 7,130,556,956	$ 536,173,639	$ 21,519,528	$ 7,645,211,067

* The beginning balance has been restated by $16,977,493 to reflect the addition of intangible assets and revised land and building improvements.

THE GREAT SEAL OF THE STATE OF NEW JERSEY
LIBERTY AND PROSPERITY
1776

STATE OF NEW JERSEY
SCHEDULE OF LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	General Obligation Bonds		
Bonded Debt	**Amount Authorized**	**Amount Unissued**	**Year Authorized**
General Obligation Bond Act			
Clean Waters	$ 120,000,000	$ 5,000,000	1976
Community Development	85,000,000	--	1982
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	200,000,000	200,000,000	2003
Developmental Disabilities Waiting List Reduction and Human Services Facilities Construction	160,000,000	5,000,000	1994
Energy Conservation	50,000,000	1,600,000	1980
Green Acres, Cultural Centers and Historic Preservation	100,000,000	9,000,000	1987
Green Acres, Farmland and Historic Preservation, and Blue Acres	340,000,000	25,500,000	1995
Hazardous Discharge	100,000,000	43,000,000	1981
Hazardous Discharge	200,000,000	48,000,000	1986
Jobs, Education and Competitiveness	350,000,000	--	1988
Natural Resources	145,000,000	9,600,000	1980
New Jersey Bridge Rehabilitation and Improvement and Railroad Right-of-Way Preservation	115,000,000	--	1989
New Jersey Green Acres	135,000,000	14,500,000	1983
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	345,000,000	26,780,000	1992
New Jersey Human Services Facilities Construction	60,000,000	--	1984
New Jersey Open Space Preservation	300,000,000	26,000,000	1989
New Jersey Transportation Rehabilitation and Improvement	475,000,000	--	1979
Pinelands Infrastructure Trust	30,000,000	8,000,000	1985
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	300,000,000	199,000,000	1996
Public Purpose Buildings and Community-Based Facilities Construction	125,000,000	5,000,000	1989
Refunding Bonds	5,220,479,598	--	1985
Resource Recovery and Solid Waste Disposal Facility	85,000,000	--	1985
Shore Protection	50,000,000	--	1983
State Land Acquisition and Development	200,000,000	1,500,000	1978
State Recreation and Conservation Land Acquisition and Development	200,000,000	--	1974
Statewide Transportation and Local Bridge	500,000,000	--	1999
Stormwater Management and Combined Sewer Overflow Abatement	50,000,000	21,500,000	1989
Urban and Rural Centers Unsafe Buildings Demolition	20,000,000	--	1997
Water Conservation	271,000,000	--	1969
Water Supply	350,000,000	93,400,000	1981
Subtotal General Obligation Bond Acts	**$** 10,681,479,598	$ 742,380,000	
General Obligation Debt-Capital Appreciation Bonds Subject to Accretion			
Total General Obligation Bonds - Government-Wide Basis			
Revenue Bonds Payable			
Capital Leases			
Installment Obligations			
Certificates of Participation			
Unamortized Premium			
Tobacco Settlement Financing Corporation			
Unamortized Deferral on Refunding			
Unamortized Interest on Capital Appreciation Bonds			
Subtotal Bonded Debt			
Non-Bonded Debt			
Accumulated Sick and Vacation Payable			
Capital Leases			
Loans Payable			
Net Pension Obligation			
Other			
Subtotal Non-Bonded Debt			
Total Debt			

Outstanding July 1, 2006	Issued	Retired	Outstanding June 30, 2007
$ 287,000	$ --	$ 192,000	$ 95,000
813,000	--	513,000	300,000
--	--	--	--
41,483,000	--	7,178,000	34,305,000
765,000	--	200,000	565,000
4,090,000	--	580,000	3,510,000
93,925,000	--	11,745,000	82,180,000
2,302,000	--	622,000	1,680,000
41,121,000	--	10,026,000	31,095,000
12,297,000	--	5,317,000	6,980,000
18,037,000	--	1,002,000	17,035,000
13,358,000	--	3,428,000	9,930,000
185,000	--	90,000	95,000
64,656,000	--	13,071,000	51,585,000
228,000	--	228,000	--
18,809,000	--	6,649,000	12,160,000
761,000	--	761,000	--
--	--	--	--
51,380,000	--	2,675,000	48,705,000
9,265,000	--	1,245,000	8,020,000
2,499,164,803		167,024,875	2,332,139,928
5,740,000	--	1,035,000	4,705,000
51,000	--	51,000	--
2,173,000	--	708,000	1,465,000
152,000	--	152,000	--
189,250,000	--	15,160,000	174,090,000
3,955,000	--	470,000	3,485,000
10,620,000	--	3,370,000	7,250,000
1,437,000	--	752,000	685,000
--	--	--	--
3,086,304,803	--	254,244,875	2,832,059,928
46,450,197	--	13,820,125	32,630,072
3,132,755,000	--	268,065,000	2,864,690,000
12,975,955,001	48,745,000	285,080,000	12,739,620,001
308,575,000	--	10,745,000	297,830,000
16,896,001,715	773,512,147	484,355,319	17,185,158,543
60,559,086	30,128,860	31,852,212	58,835,734
1,500,850,138	7,185,502	110,628,623	1,397,407,017
3,248,579,566	4,686,872,480	3,291,758,031	4,643,694,015
(604,569,549)	(380,852,721)	(61,194,804)	(924,227,466)
(5,673,483,979)	(1,094,866,919)	(245,706,541)	(6,522,644,357)
31,845,221,978	4,070,724,349	4,175,582,840	31,740,363,487
518,560,541	314,794,168	254,827,163	578,527,546
430,768,120	8,002,529	53,788,092	384,982,557
1,279,358,087	--	--	1,279,358,087
2,953,943,745	807,334,964	--	3,761,278,709
417,733,493	397,588,570	417,733,493	397,588,570
5,600,363,986	1,527,720,231	726,348,748	6,401,735,469
$ 37,445,585,964	$ 5,598,444,580	$ 4,901,931,588	$ 38,142,098,956

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	CASINO CONTROL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ --	$ --	$ --	$ --
Licenses and fees	72,475,163	76,220,163	75,431,694	(788,469)
Investment earnings	450,000	200,000	214,015	14,015
Other	--	--	--	--
Total Revenues	72,925,163	76,420,163	75,645,709	(774,454)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	72,925,163	76,420,163	75,645,709	(774,454)
EXPENDITURES				
Public safety and criminal justice	42,821,248	44,399,739	43,591,688	808,051
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	30,103,915	30,225,424	29,473,177	752,247
Special government services	--	--	--	--
Total Expenditures	72,925,163	74,625,163	73,064,865	1,560,298
Net change in fund balance	--	1,795,000	2,580,844	785,844
FUND BALANCES - JULY 1, 2006	--	(1,645,689)	(1,645,689)	--
FUND BALANCES- JUNE 30, 2007	$ --	$ 149,311	$ 935,155	$ 785,844

CASINO REVENUE FUND

Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
$ 466,362,000	$ 446,114,000	$ 446,078,487	$ (35,513)
--	--	--	--
1,125,000	3,000,000	3,473,858	473,858
9,522,524	19,019,704	9,508,953	(9,510,751)
477,009,524	468,133,704	459,061,298	(9,072,406)
600,000	18,983,000	550,953	(18,432,047)
600,000	18,983,000	550,953	(18,432,047)
477,609,524	487,116,704	459,612,251	(27,504,453)
--	--	--	--
407,631,522	416,008,838	390,854,535	25,154,303
32,516,000	28,827,463	31,749,515	(2,922,052)
2,440,000	2,163,212	2,440,000	(276,788)
34,930,002	30,967,627	34,930,000	(3,962,373)
--	--	--	--
92,000	81,564	6,541	75,023
477,609,524	478,048,704	459,980,591	18,068,113
--	9,068,000	(368,340)	(9,436,340)
--	1,001,524	1,001,524	--
$ --	$ 10,069,524	$ 633,184	$ (9,436,340)

(Continued on next page)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE (Continued)
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	GUBERNATORIAL ELECTIONS FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
REVENUES				
Taxes	$ --	$ --	$ --	$ --
Licenses and fees	--	--	--	--
Investment earnings	--	--	--	--
Other	700,000	700,000	552,527	(147,473)
Total Revenues	700,000	700,000	552,527	(147,473)
OTHER FINANCING SOURCES				
Transfers from other funds	--	--	--	--
Total Other Financing Sources	--	--	--	--
Total Revenues and Other Financing Sources	700,000	700,000	552,527	(147,473)
EXPENDITURES				
Public safety and criminal justice	--	--	--	--
Physical and mental health	--	--	--	--
Educational, cultural, and intellectual development	--	--	--	--
Economic planning, development, and security	--	--	--	--
Transportation programs	--	--	--	--
Government direction, management, and control	--	--	--	--
Special government services	--	--	--	--
Total Expenditures	--	--	--	--
Net change in fund balance	700,000	700,000	552,527	(147,473)
FUND BALANCES - JULY 1, 2006	--	--	--	--
FUND BALANCES- JUNE 30, 2007	$ 700,000	$ 700,000	$ 552,527	$ (147,473)

TOTAL NON-MAJOR GOVERNMENTAL FUNDS

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget
	$ 466,362,000	$ 446,114,000	$ 446,078,487	$ (35,513)
	72,475,163	76,220,163	75,431,694	(788,469)
	1,575,000	3,200,000	3,687,873	487,873
	10,222,524	19,719,704	10,061,480	(9,658,224)
	550,634,687	545,253,867	535,259,534	(9,994,333)
	600,000	18,983,000	550,953	(18,432,047)
	600,000	18,983,000	550,953	(18,432,047)
	551,234,687	564,236,867	535,810,487	(28,426,380)
	42,821,248	44,399,739	43,591,688	808,051
	407,631,522	416,008,838	390,854,535	25,154,303
	32,516,000	28,827,463	31,749,515	(2,922,052)
	2,440,000	2,163,212	2,440,000	(276,788)
	34,930,002	30,967,627	34,930,000	(3,962,373)
	30,103,915	30,225,424	29,473,177	752,247
	92,000	81,564	6,541	75,023
	550,534,687	552,673,867	533,045,456	19,628,411
	700,000	11,563,000	2,765,031	(8,797,969)
	--	(644,165)	(644,165)	--
	$ 700,000	$ 10,918,835	$ 2,120,866	$ (8,797,969)

STATE OF NEW JERSEY
BUDGETARY COMPARISON SCHEDULE
BUDGET-TO-GAAP RECONCILIATION--NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	Casino Control Fund	Casino Revenue Fund	Gubernatorial Elections Fund
Sources/inflows of resources:			
Total revenues and other financing sources--actual amounts (budgetary basis) from the budgetary comparison schedule	$75,645,709	$459,612,251	$552,527
Differences--budget to GAAP:			
No reconciling items.	--	--	--
Total revenues and other financing sources as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$75,645,709	$459,612,251	$552,527
Uses/outflows of resources:			
Total expenditures and other financing uses--actual amounts (budgetary basis) from the budgetary comparison schedule	$73,064,865	$459,980,591	$ -
Differences--budget to GAAP:			
Encumbrances for items ordered but not received are reported in the year the resources are encumbered for budgetary purposes, but in the year the items are received for financial reporting purposes.	(1,321,396)	(35,781,546)	--
Expenditures in prior budget fiscal year accounts are reported in the year the resources are encumbered for budgetary purposes, but in the year the funds are disbursed for financial reporting purposes.	405,342	29,756,627	--
Loans and travel advances are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(2,431)	--	--
Miscellaneous accruals are not outflows of budgetary resources but are expenditures for financial reporting purposes.	2,431	--	--
Total expenditures and other financing uses as reported on the GAAP-basis statement of revenues, expenditures, and changes in fund balances--governmental funds	$72,148,811	$453,955,672	$ -

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
MAJOR TAXES				
Sales	$ 8,721,600,000	$ 8,609,639,460	98	$ (111,960,540)
Sales Tax Dedication	--	(649,324,326)	--	(649,324,326)
Corporation Business	2,607,071,000	3,084,921,689	118	477,850,689
Cigarette	215,033,000	206,087,779	95	(8,945,221)
Motor Fuels	553,000,000	561,518,893	101	8,518,893
Transfer Inheritance	600,000,000	604,700,439	100	4,700,439
Insurance Premium	495,000,000	448,242,059	90	(46,757,941)
Motor Vehicle Fees	275,244,000	280,309,457	101	5,065,457
Realty Transfer	415,000,000	393,835,423	94	(21,164,577)
Petroleum Products Gross Receipts	225,000,000	232,441,546	103	7,441,546
Corporation Banks and Financial Institutions	120,000,000	123,007,092	102	3,007,092
Alcoholic Beverage Excise	94,000,000	92,293,428	98	(1,706,572)
Tobacco Products Wholesale Sales	16,000,000	13,745,927	85	(2,254,073)
Public Utility Excise	10,912,000	10,751,530	98	(160,470)
Savings Institutions	--	358	--	358
TOTAL MAJOR TAXES	14,347,860,000	14,012,170,754	97	(335,689,246)
MISCELLANEOUS TAXES, FEES, REVENUES				
Executive Branch:				
Department of Agriculture:				
Fertilizer Inspection Fees	366,000	366,000	100	--
Miscellaneous Revenue	362,000	7,020	1	(354,980)
Total Department of Agriculture	728,000	373,020	51	(354,980)
Department of Banking and Insurance:				
Actuarial Services	55,000	80,043	145	25,043
Bank Assessments	9,093,000	9,093,000	100	--
Banking Licenses and Other Fees	4,447,000	4,447,000	100	--
FAIR Act Administration	16,500,000	22,130,543	134	5,630,543
Fraud Fines	2,000,000	1,547,260	77	(452,740)
Insurance Examination Billings	2,400,000	2,092,637	87	(307,363)
Insurance Fraud Prevention	32,000,000	33,384,477	104	1,384,477
Insurance Licenses and Other Fees	30,226,000	33,343,768	110	3,117,768
Insurance Special Purpose Assessment	16,198,000	13,563,241	83	(2,634,759)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Real Estate Commission	10,000,000	10,379,269	103	379,269
Total Department of Banking and Insurance	122,919,000	130,061,238	105	7,142,238
Department of Children and Families:				
Child Care Licensing/Adoption Law	350,000	348,521	99	(1,479)
Marriage License Fees	1,309,000	1,308,342	99	(658)
Total Department of Children and Families	1,659,000	1,656,863	99	(2,137)
Department of Community Affairs:				
Affordable Housing and Neighborhood Preservation Fair Housing	20,300,000	20,300,000	100	--
Construction Fees	13,205,000	13,205,000	100	--
Divorce Filing Fees	1,276,000	1,571,200	123	295,200
Fire Safety	15,384,000	15,384,000	100	--
Housing Inspection Fees	8,108,000	8,108,000	100	--
Planned Real Estate Development Fees	828,000	828,000	100	--
Total Department of Community Affairs	59,101,000	59,396,200	100	295,200
Department of Corrections:				
Miscellaneous Revenue	--	139,020	--	139,020
Total Department of Corrections	--	139,020	--	139,020
Department of Education:				
Audit Recoveries	425,000	622,068	146	197,068
Audit of Enrollments	137,000	221,571	161	84,571
Local School District Loan Recoveries-NJEDA	8,268,000	8,100,434	97	(167,566)
Nonpublic Schools Handicapped and Auxiliary Recoveries	2,000,000	12,423,850	621	10,423,850
Nonpublic Schools Textbook Recoveries	1,200,000	1,452,004	121	252,004
School Construction Inspection Fees	2,150,000	1,733,986	80	(416,014)
State Board of Examiners	5,000,000	5,000,000	100	--
Total Department of Education	19,180,000	29,553,913	154	10,373,913
Department of Environmental Protection:				
Air Pollution Fees	23,100,000	19,140,295	82	(3,959,705)
Air Pollution Fines	3,250,000	4,324,359	133	1,074,359
Air Toxics Surcharge	--	(3,572)	--	(3,572)
Clean Water Enforcement Act	1,500,000	3,669,111	244	2,169,111

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Coastal Area Facility Review Act	3,330,000	2,484,762	74	(845,238)
Endangered Species Tax Check-Off	200,000	200,000	100	--
Environmental Infrastructure Financing Program - Administrative Fee	5,000,000	5,000,000	100	--
Excess Diversion	261,000	223,099	85	(37,901)
Freshwater Wetlands Fees	5,310,000	4,039,431	76	(1,270,569)
Freshwater Wetlands Fines	100,000	828,710	828	728,710
Hazardous Waste Fees	4,260,000	1,873,281	43	(2,386,719)
Hazardous Waste Fines	675,000	888,678	131	213,678
Highlands Permitting	812,000	584,212	71	(227,788)
Hunters' and Anglers' Licenses	11,000,000	11,000,000	100	--
Industrial Site Recovery Act	1,120,000	612,800	54	(507,200)
Laboratory Certification Fees	2,400,000	821,290	34	(1,578,710)
Laboratory Certification Fines	20,000	64,825	324	44,825
Marina Rentals	885,000	885,000	100	--
Marine Lands - Preparation and Filing Fees	140,000	158,599	113	18,599
Medical Waste	4,400,000	4,366,989	99	(33,011)
Miscellaneous Revenue	--	526	--	526
New Jersey Pollutant Discharge Elimination System	16,700,000	16,700,000	100	--
Parks Management Fees and Permits	4,300,000	4,300,000	100	--
Parks Management Fines	165,000	123,904	75	(41,096)
Pesticide Control Fees	4,200,000	4,404,670	104	204,670
Pesticide Control Fines	50,000	131,143	262	81,143
Radiation Protection Fees	5,439,000	4,933,913	90	(505,087)
Radiation Protection Fines	88,000	87,694	99	(306)
Radon Testers Certification	263,000	251,681	95	(11,319)
Shellfish and Marine Fisheries	7,000	6,638	94	(362)
Solid and Hazardous Waste Disclosure	--	305,270	--	305,270
Solid Waste - Utility Regulation Assessments	3,100,000	3,100,000	100	--
Solid Waste Fines	700,000	516,959	73	(183,041)
Solid Waste Management Fees	11,700,000	9,961,799	85	(1,738,201)
Spring Meadow Golf Course	300,000	221,513	73	(78,487)
Stream Encroachment	3,710,000	3,761,375	101	51,375
Toxic Catastrophe Prevention Fees	1,366,000	1,442,165	105	76,165
Toxic Catastrophe Prevention Fines	44,000	2,800	6	(41,200)
Treatment Works Approval	1,957,000	2,203,928	112	246,928
Underground Storage Tanks Fees	1,200,000	1,005,149	83	(194,851)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Water Allocation	2,050,000	2,050,000	100	--
Water Supply Management Regulations	1,300,000	2,061,575	158	761,575
Water/Wastewater Operators Licenses	215,000	208,540	96	(6,460)
Waterfront Development Fees	3,510,000	2,795,294	79	(714,706)
Waterfront Development Fines	10,000	5,325	53	(4,675)
Well Permits/Well Drillers/ Pump Installers Licenses	1,100,000	1,285,540	116	185,540
Wetlands	140,000	140,000	100	--
Worker Community Right to Know Fines	40,000	53,950	134	13,950
Total Department of Environmental Protection	131,417,000	123,223,220	93	(8,193,780)
Department of Health and Senior Services:				
Admission Charge Hospital Assessment	6,000,000	6,000,000	100	--
Health Care Reform	1,200,000	1,200,000	100	--
HMO Covered Lives	1,800,000	1,819,152	101	19,152
Licenses, Fines, Permits, Penalties and Fees	790,000	790,000	100	--
Miscellaneous Revenue	400,000	178,219	44	(221,781)
Total Department of Health and Senior Services	10,190,000	9,987,371	98	(202,629)
Department of Human Services:				
Early Periodic Screening, Diagnosis and Treatment	4,000,000	2,164,469	54	(1,835,531)
Medicaid Uncompensated Care-Acute	137,726,000	146,716,029	106	8,990,029
Medicaid Uncompensated Care-Mental Health	33,420,000	38,688,865	115	5,268,865
Medicaid Uncompensated Care-Psychiatric	178,685,000	189,674,085	106	10,989,085
Medical Assistance-Federal Match on PAAD Medicaid Dual Eligibles	--	1,879,365	--	1,879,365
Miscellaneous Federal Revenue Initiatives	--	44,353	--	44,353
Miscellaneous Revenue	1,500,000	987,835	65	(512,165)
Patients' and Residents' Cost Recoveries - Developmental Disabliity	15,612,000	17,341,000	111	1,729,000
Patients' and Residents' Cost Recoveries - Psychiatric Hospitals	56,483,000	71,655,090	126	15,172,090
School Based Medicaid	3,500,000	--	--	(3,500,000)
Total Department of Human Services	430,926,000	469,151,091	108	38,225,091
Department of Labor:				
Miscellaneous Revenue	155,000	132,220	85	(22,780)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Special Compensation Fund	1,708,000	1,708,000	100	--
Workers' Compensation Assessment	12,285,000	12,285,000	100	--
Workplace Standards - Licenses, Permits and Fines	4,720,000	4,720,000	100	--
Total Department of Labor	18,868,000	18,845,220	99	(22,780)
Department of Law and Public Safety:				
Beverage Licenses	3,960,000	3,960,000	100	--
Division of Consumer Affairs:				
General Revenues:				
Charities Registration Section	695,000	695,000	100	--
Controlled Dangerous Substances	100,000	100,000	100	--
General Consumer Affairs	--	5,350	--	5,350
Legalized Games of Chance Control	1,200,000	1,200,000	100	--
New Jersey Cemetery Board	96,000	96,000	100	--
Private Employment Agencies	258,000	258,000	100	--
Weights and Measures - General	2,612,000	2,612,000	100	--
Professional Examining Board Fees:				
Architects	420,000	420,000	100	--
Audiology and Speech Language Pathology Advisory	18,000	18,000	100	--
Certified Psychoanalysts	150,000	--	--	(150,000)
Certified Public Accountants	42,000	42,000	100	--
Chiropractors	90,000	90,000	100	--
Cosmetology and Hairstyling	2,700,000	2,700,000	100	--
Court Reporting	9,000	9,000	100	--
Dentistry	210,000	210,000	100	--
Electrical Contractors	300,000	300,000	100	--
Marriage Counselor Examiners	420,000	420,000	100	--
Master Plumbers	540,000	540,000	100	--
Medical Examiners	6,600,000	6,600,000	100	--
Mortuary Science	210,000	210,000	100	--
Nursing	2,400,000	2,400,000	100	--
Occupational Therapists and Assistants	16,000	16,000	100	--
Ophthalmic Dispensers and Ophthalmic Technicians	12,000	12,000	100	--
Optometrists	270,000	270,000	100	--
Orthotics and Prosthetics	25,000	25,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Pharmacy	1,260,000	1,260,000	100	--
Physical Therapy	30,000	30,000	100	--
Professional Engineers and Land Surveyors	300,000	300,000	100	--
Professional Planners	12,000	12,000	100	--
Psychological Examiners	480,000	480,000	100	--
Real Estate Appraisers	51,000	51,000	100	--
Respiratory Care	10,000	10,000	100	--
Social Workers	200,000	200,000	100	--
Veterinary Medical Examiners	270,000	270,000	100	--
Division of State Police:				
Fingerprint Fees	3,694,000	3,694,000	100	--
Nuclear Facilities Security Detail	1,600,000	--	--	(1,600,000)
Other Licenses	230,000	265,645	115	35,645
Private Detective Licenses	220,000	220,000	100	--
EDA School Construction Recoveries	955,000	498,929	52	(456,071)
Forfeiture Funds	250,000	250,000	100	--
Miscellaneous Revenue	--	78,570	--	78,570
New Jersey Emergency Medical Service Helicopter Response Program	21,000,000	21,000,000	100	--
Pleasure Boat Licenses	3,000,000	2,102,558	70	(897,442)
Securities Enforcement	8,994,000	8,994,000	100	--
Violent Crime Compensation	3,930,000	3,930,000	100	--
Total Department of Law and Public Safety	69,839,000	66,855,052	95	(2,983,948)
Department of Military and Veterans' Affairs:				
Nuclear Facilities Securities Detail	2,930,000	--	--	(2,930,000)
Soldiers' Homes	33,326,000	33,951,699	101	625,699
Total Department of Military and Veterans' Affairs	36,256,000	33,951,699	93	(2,304,301)
Department of the Public Advocate:				
Licenses, Fines, Permits, Penalties and Fees	--	5,150	--	5,150
Office of Dispute Settlement Mediation	6,387,000	6,387,000	100	--
Rate Counsel	158,000	44,186	27	(113,814)
Total Department of the Public Advocate	6,545,000	6,436,336	98	(108,664)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Department of State:				
Governor's Teaching Scholars Program Loan Repayment	91,000	79,512	87	(11,488)
Miscellaneous Revenue	--	152,883	--	152,883
Total Department of State	91,000	232,395	255	141,395
Department of Transportation:				
Air Safety Fund	965,000	965,000	100	--
Applications and Highway Permits	1,300,000	1,300,000	100	--
Auto Body Repair Shop Licensing	536,000	514,620	96	(21,380)
Autonomous Transportation Authorities	52,000,000	52,208,333	100	208,333
Drunk Driving Fines	350,000	274,548	78	(75,452)
Good Driver	77,450,000	78,751,262	101	1,301,262
Graduated Driver's License	1,390,000	1,243,720	89	(146,280)
Heavy Duty Diesel Fines	450,000	391,097	86	(58,903)
Interest on Purchase of Right-of-Way	5,000	81,100	1,622	76,100
Logo Sign Program Fees	300,000	300,000	100	--
Miscellaneous Revenue	--	55,587	--	55,587
Motor Vehicle Database - Automated Access	47,500,000	49,386,792	103	1,886,792
Motor Vehicle Inspection Fund	78,900,000	74,382,102	94	(4,517,898)
Outdoor Advertising	5,240,000	4,974,676	94	(265,324)
Parking Offenses	410,000	413,013	100	3,013
Salvage Title Program	1,100,000	1,040,234	94	(59,766)
Special Plate Fees	750,000	855,956	114	105,956
Uninsured Motorists Program	5,000,000	4,587,689	91	(412,311)
Total Department of Transportation	273,646,000	271,725,729	99	(1,920,271)
Department of the Treasury:				
Assessment on Real Property Greater Than $1 Million	113,000,000	152,588,255	135	39,588,255
Assessments - Cable TV	4,443,000	4,564,000	102	121,000
Assessments - Public Utility	29,313,000	30,327,000	103	1,014,000
Audit and Enforcement Collection	40,000,000	--	--	(40,000,000)
Casino Fines	--	221,088	--	221,088
Coin Operated Telephones	3,700,000	4,854,164	131	1,154,164
Commercial Recording Expedited	2,853,000	2,701,345	94	(151,655)
Domestic Security	41,000,000	34,842,467	84	(6,157,533)
Dormitory Safety Trust Fund - Debt Service Recovery	5,708,000	--	--	(5,708,000)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Enhanced Debt Collection	10,517,000	--	--	(10,517,000)
Equipment Leasing Fund - Debt Service Recovery	4,625,000	4,625,228	100	228
Escrow Interest - Construction Accounts	42,000	61,285	145	19,285
Fur Clothing Gross Receipts	5,000,000	1,858,940	37	(3,141,060)
General Revenue - Fees	47,800,000	52,555,503	109	4,755,503
Higher Education Capital Improvement Fund - Debt Service Recovery	15,383,000	--	--	(15,383,000)
Hotel/Motel Occupancy Tax	76,000,000	84,194,930	110	8,194,930
Investment Earnings	--	57,858,144	--	57,858,144
Miscellaneous Revenue	950,000	2,332,818	245	1,382,818
New Jersey Economic Development Authority	--	10,253	--	10,253
New Jersey Public Records Preservation	65,900,000	57,121,216	86	(8,778,784)
Notary Commissions	1,700,000	1,799,279	105	99,279
Nuclear Emergency Response Assessment	4,139,000	5,363,000	129	1,224,000
Public Defender Client Receipts	4,900,000	4,660,974	95	(239,026)
Public Utility Fines	1,200,000	2,674,897	222	1,474,897
Public Utility Gross Receipts and Franchise Taxes (Water/Sewer)	75,000,000	87,225,332	116	12,225,332
Railroad Tax:				
Class II	3,500,000	4,297,470	122	797,470
Franchise	700,000	1,498,008	214	798,008
Surplus Property	1,500,000	2,297,748	153	797,748
Tax Referral Cost Recovery Fee	6,600,000	4,971,514	75	(1,628,486)
Telephone Assessment	119,000,000	128,860,813	108	9,860,813
Tire Clean-Up Surcharge	9,000,000	9,817,331	109	817,331
Transitional Energy Facilities Assessment	250,924,000	217,427,190	86	(33,496,810)
Total Department of the Treasury	944,397,000	961,610,192	101	17,213,192
Other Sources:				
Miscellaneous Revenue	500,000	2,137,397	427	1,637,397
Total Other Sources	500,000	2,137,397	427	1,637,397
Inter-Departmental Accounts:				
Administration and Investment of Pension and Health Benefits Funds - Recoveries	24,156,000	22,475,515	93	(1,680,485)
Employee Maintenance Deductions	300,000	300,000	100	--

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Fringe Benefit Recoveries from Colleges and Universities	157,000,000	148,120,794	94	(8,879,206)
Fringe Benefit Recoveries from Federal and Other Funds	242,946,000	240,120,870	98	(2,825,130)
Fringe Benefit Recoveries from School Districts	46,700,000	54,692,862	117	7,992,862
Indirect Cost Recoveries - DEP Other Funds	11,307,000	8,701,798	76	(2,605,202)
MTF Revenue Fund	40,500,000	35,391,132	87	(5,108,868)
Rent of State Building Space	1,900,000	2,533,505	133	633,505
Social Security Recoveries from Federal and Other Funds	59,000,000	62,673,575	106	3,673,575
Total Inter-Departmental Accounts	583,809,000	575,010,051	98	(8,798,949)
Judicial Branch:				
Court Fees	66,345,000	62,477,965	94	(3,867,035)
Total Judicial Branch	66,345,000	62,477,965	94	(3,867,035)
TOTAL MISCELLANEOUS TAXES, FEES, REVENUES	2,776,416,000	2,822,823,972	101	46,407,972
INTERFUND TRANSFERS				
Beaches and Harbor Fund	94,000	85,808	91	(8,192)
Clean Waters Fund	10,000	--	--	(10,000)
Correctional Facilities Construction Fund	20,000	31,319	156	11,319
Correctional Facilities Construction Fund - 1987	13,000	45,782	352	32,782
Cultural Centers and Historic Preservation Fund	55,000	72,914	132	17,914
Dam, Lake, Stream and Flood Control Project Fund - 2003	175,000	--	--	(175,000)
Developmental Disabilities Waiting List Reduction Fund	313,000	574,051	183	261,051
Dredging and Containment Facility Fund	355,000	355,000	100	--
Emergency Flood Control Fund	12,000	18,544	154	6,544
Energy Conservation Fund	15,000	14,897	99	(103)
Enterprise Zone Assistance Fund	9,631,000	14,607,382	151	4,976,382
Fund for Support of Free Public Schools	2,822,000	5,985,090	212	3,163,090
Garden State Farmland Preservation Trust Fund	1,765,000	1,697,362	96	(67,638)
Garden State Green Acres Preservation Trust Fund	5,007,000	4,768,430	95	(238,570)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
Garden State Historic Preservation Trust Fund	617,000	503,593	81	(113,407)
Hazardous Discharge Fund	7,000	9,817	140	2,817
Hazardous Discharge Site Cleanup Fund	10,615,000	16,295,413	153	5,680,413
Housing Assistance Fund	140,000	228,322	163	88,322
Human Services Facilities Construction Fund	--	2,307	--	2,307
Jobs, Education and Competitiveness Fund	15,000	226,963	1,513	211,963
Jobs, Science and Technology Fund	--	1,222	--	1,222
Judiciary Bail Fund	1,050,000	1,875,596	178	825,596
Judiciary Child Support and Paternity Fund	800,000	569,022	71	(230,978)
Judiciary Probation Fund	325,000	509,828	156	184,828
Judiciary Special Civil Fund	90,000	167,790	186	77,790
Judiciary Superior Court Miscellaneous Fund	140,000	279,379	199	139,379
Korean Veterans' Memorial Fund	--	8,431	--	8,431
Legal Services Fund	10,410,000	10,905,398	104	495,398
Mortgage Assistance Fund	715,000	1,156,810	161	441,810
Motor Vehicle Security Responsibility Fund	3,000	12,776	425	9,776
Natural Resources Fund	53,000	161,165	304	108,165
New Jersey Bridge Rehabilitation and Improvement Railroad Right-of-Way Preservation Fund	196,000	335,436	171	139,436
New Jersey Green Acres Fund - 1983	680,000	1,069,876	157	389,876
New Jersey Spill Compensation Fund	15,589,000	15,111,127	96	(477,873)
New Jersey Workforce Development Partnership Fund	17,266,000	15,193,183	87	(2,072,817)
Pollution Prevention Fund	1,497,000	1,497,000	100	--
Public Purpose Buildings and Community-Based Facilities Construction Fund	120,000	192,852	160	72,852
Public Purpose Bulidings Construction Fund	8,000	8,369	104	369
Resource Recovery Investment Tax Fund	--	452	--	452
Safe Drinking Water Fund	2,368,000	2,149,115	90	(218,885)
Sanitary Landfill Facilities Contingency Fund	5,000,000	5,000,000	100	--
School Fund Investment Account	3,582,000	3,575,186	99	(6,814)
Shore Protection Fund	445,000	569,644	128	124,644
Solid Waste Service Tax Fund	2,000	11,670	583	9,670
State Disability Benefit Fund	77,797,000	76,810,868	98	(986,132)
State Land Acquisition and Development Fund	3,000	--	--	(3,000)
State Lottery Fund	846,000,000	828,326,155	97	(17,673,845)
State Lottery Fund - Administration	21,900,000	21,206,432	96	(693,568)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007		REALIZATION OVER (UNDER) ANTICIPATION
		AMOUNT	PERCENT	
State of New Jersey Cash Management Fund	3,034,000	2,796,045	92	(237,955)
State Recreation and Conservation Land Acquisition and Development Fund	25,000	24,542	98	(458)
1999 Statewide Transportation and Local Bridge Fund	400,000	1,556,218	389	1,156,218
Supplemental Workforce Fund for Basic Skills	2,000,000	1,780,886	89	(219,114)
Tobacco Settlement Fund	27,278,000	15,674,305	57	(11,603,695)
Transportation Rehabilitation and Improvement Fund	10,000	--	--	(10,000)
Unclaimed Insurance Payments on Deposit Accounts Fund	34,000	29,362	86	(4,638)
Unclaimed Personal Property Trust Fund	311,342,000	314,162,721	100	2,820,721
Unclaimed Utility Deposits Trust Fund	165,000	215,656	130	50,656
Unemployment Compensation Auxiliary Fund	22,297,000	22,297,000	100	--
Universal Services Fund	72,509,000	72,612,891	100	103,891
Wage and Hour Trust Fund	75,000	132,408	176	57,408
Water Conservation Fund	24,000	39,538	164	15,538
Water Supply Fund	3,911,000	3,898,019	99	(12,981)
Worker and Community Right to Know Fund	3,543,000	3,425,727	96	(117,273)
TOTAL INTERFUND TRANSFERS	1,484,367,000	1,470,873,094	99	(13,493,906)
TOTAL REVENUES, GENERAL FUND	$ 18,608,643,000	$ 18,305,867,820	98	$ (302,775,180)

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
License Fees	$ 71,589,000	$ 75,431,694	105	$ 3,842,694
Investment Income	450,000	214,015	47	(235,985)
TOTAL CASINO CONTROL FUND	**$ 72,039,000**	**$ 75,645,709**	**105**	**$ 3,606,709**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Gross Revenue Tax	$ 424,080,000	$ 409,913,262	96	$ (14,166,738)
Casino Simulcasting Fund	600,000	550,953	91	(49,047)
Investment Income	1,125,000	3,473,858	308	2,348,858
Other Casino Taxes and Fees	42,282,000	36,176,998	85	(6,105,002)
TOTAL CASINO REVENUE FUND	**$ 468,087,000**	**$ 450,115,071**	**96**	**$ (17,971,929)**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
GUBERNATORIAL ELECTIONS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Taxpayers' Designations	$ 700,000	$ 550,892	78	$ (149,108)
TOTAL GUBERNATORIAL ELECTIONS FUND	**$ 700,000**	**$ 550,892**	**78**	**$ (149,108)**

STATE OF NEW JERSEY
SCHEDULE OF ANTICIPATED REVENUE
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ANTICIPATED TO JUNE 30, 2007	REALIZED TO JUNE 30, 2007 AMOUNT	REALIZED TO JUNE 30, 2007 PERCENT	REALIZATION OVER (UNDER) ANTICIPATION
Gross Income Tax	$ 11,475,000,000	$ 11,727,192,312	102	$ 252,192,312
Sales Tax Dedication	--	649,324,326	--	649,324,326
TOTAL PROPERTY TAX RELIEF FUND	**$ 11,475,000,000**	**$ 12,376,516,638**	**107**	**$ 901,516,638**

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
LEGISLATIVE BRANCH	$ --	$ --	$ 25,200	$ 25,200
EXECUTIVE BRANCH				
Chief Executive	--	--	654,263	654,263
Agriculture	2,005,262	259,225,914	9,295,103	270,526,279
Banking and Insurance	2,182,270	--	25,312,344	27,494,614
Children and Families	--	145,354,487	59,392,995	204,747,482
Community Affairs	25,563,177	294,962,374	101,918,206	422,443,757
Corrections	--	5,481,094	58,603,576	64,084,670
Education	552,716	846,742,125	15,802,512	863,097,353
Environmental Protection	32,766,031	41,677,966	23,457,600	97,901,597
Health and Senior Services	24,080,184	304,755,599	272,114,174	600,949,957
Human Services	126,349,751	5,371,609,959	720,480,475	6,218,440,185
Labor and Workforce Development	53,575,945	344,096,190	117,617,291	515,289,426
Law and Public Safety	145,388,265	142,782,399	177,275,301	465,445,965
Military and Veterans' Affairs	3,170,866	32,407,742	346,963	35,925,571
Personnel	3,731,205	--	--	3,731,205
Public Advocate	900,895	--	401,903	1,302,798
State	3,808,884	28,046,194	24,113,519	55,968,597
Transportation	3,579,120	35,734,787	356,793,618	396,107,525
Treasury	88,373,080	2,017,989	1,374,344,050	1,464,735,119
Interdepartmental	814,039	--	--	814,039
TOTAL EXECUTIVE BRANCH	516,841,690	7,854,894,819	3,337,923,893	11,709,660,402
JUDICIAL BRANCH	2,767,355	786,892	58,804,269	62,358,516
TOTAL APPROPRIATED REVENUE	$ 519,609,045	$ 7,855,681,711	$ 3,396,753,362	$ 11,772,044,118

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATED REVENUE
CASINO REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	STATE	FEDERAL	DEDICATED AND REVOLVING	TOTAL
EXECUTIVE BRANCH				
Health and Senior Services	$ 9,497,180	$ --	$ --	$ 9,497,180
TOTAL APPROPRIATED REVENUE	$ 9,497,180	$ --	$ --	$ 9,497,180

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Legislative Branch	$ 73,893,000	$ 19,184,974	$ 76,463,041
Executive Branch			
Chief Executive's Office	4,924,000	1,621,352	5,253,844
Agriculture	8,994,000	3,556,922	10,984,852
Banking and Insurance	68,944,000	2,595,116	67,512,376
Children and Families	272,646,000	13,627,796	280,117,918
Community Affairs	37,009,000	31,635,716	61,322,492
Corrections	942,404,000	59,212,414	984,545,686
Education	57,542,000	29,778,887	70,508,110
Environmental Protection	241,208,343	52,684,646	262,191,380
Health and Senior Services	78,306,000	35,157,490	88,976,634
Human Services	454,523,834	176,844,657	523,714,878
Labor and Workforce Development	61,849,000	55,827,198	104,686,806
Law and Public Safety	527,231,000	242,946,566	653,740,922
Military and Veterans' Affairs	86,825,626	8,965,964	89,132,931
Personnel	23,990,000	6,151,085	25,688,775
Public Advocate	19,420,000	3,381,775	14,769,881
State	23,482,000	1,568,271	23,462,333
Transportation	96,450,500	7,581,503	99,599,944
Treasury	399,402,256	50,352,522	403,308,595
Miscellaneous Executive Commissions	1,407,000	17,787	1,423,620
Inter-Departmental Accounts	2,173,030,236	(17,856,432)	2,001,054,972
Total Executive Branch	5,579,588,795	765,651,235	5,771,996,949
Judicial Branch	567,750,000	16,953,354	543,139,782
TOTAL DIRECT STATE SERVICES	$ 6,221,231,795	$ 801,789,563	$ 6,391,599,772

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 1,233,274	$ --	$ 15,381,659
22,502	54,505	1,214,501
394,382	--	1,171,688
825,039	2,495,534	706,167
2,788,087	1,041	3,366,750
2,291,810	154,995	4,875,419
9,719,834	2,188,669	5,162,225
14,840,539	1,360,762	611,476
15,181,907	1,711,326	14,808,376
5,106,047	17,686,002	1,694,807
12,536,134	8,612,274	86,505,205
7,090,089	3,067,790	2,831,513
16,710,617	5,122,728	94,603,299
3,283,075	9,157	3,366,427
1,523,253	5,139	2,923,918
724,440	976,156	6,331,298
461,620	139,159	987,159
2,449,845	1,283,171	699,043
16,531,105	12,412,905	17,502,173
594	--	573
11,999,717	46,894,705	95,224,410
124,480,636	104,176,018	344,586,427
33,352,055	1,154,598	7,056,919
$ 159,065,965	$ 105,330,616	$ 367,025,005

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GRANTS-IN-AID			
Executive Branch			
Agriculture	$ 5,025,000	$ 1,142,560	$ 5,585,066
Children and Families	676,769,000	10,442,909	643,127,801
Community Affairs	61,845,000	19,875,505	36,207,613
Corrections	133,151,000	4,362,297	134,462,921
Education	39,713,000	579,000	21,931,115
Environmental Protection	27,165,000	16,488,877	836,888
Health and Senior Services	1,425,916,000	(11,515,289)	1,223,623,400
Human Services	3,631,683,588	180,683,820	3,658,921,311
Labor and Workforce Development	54,533,000	15,789	40,209,947
Law and Public Safety	22,469,000	97,805	7,273,470
Military and Veterans' Affairs	1,544,000	253,646	1,599,654
State	1,183,848,000	14,996,378	1,177,914,357
Transportation	300,700,000	3,306,531	300,776,778
Treasury	389,185,000	22,214,265	302,981,278
Inter-Departmental Accounts	912,158,000	(10,654,046)	873,120,170
Total Executive Branch	8,865,704,588	252,290,047	8,428,571,769
TOTAL GRANTS-IN-AID	$ 8,865,704,588	$ 252,290,047	$ 8,428,571,769

STATE AID			
Executive Branch			
Agriculture	$ 11,727,000	$ 2,585,898	$ 11,150,634
Community Affairs	154,888,721	7,284,108	148,610,756
Education	840,314,700	8,304,534	801,683,852
Environmental Protection	11,066,000	294,850	7,749,498
Health and Senior Services	9,552,000	--	5,778,238
Human Services	416,855,000	3,868,185	412,407,985
Labor and Workforce Development	1,522,000	--	1,197,653
Law and Public Safety	23,030,000	6,857,636	16,397,520
State	18,520,000	--	18,378,430
Treasury	302,734,000	29,898,505	291,268,220
Total Executive Branch	1,790,209,421	59,093,716	1,714,622,786
TOTAL STATE AID	$ 1,790,209,421	$ 59,093,716	$ 1,714,622,786

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 166,495	$ --	$ 415,999
13,202,558	30,726,600	154,950
37,354,764	4,462,499	3,695,629
2,204,220	453,954	392,202
14,123,409	4,237,476	--
3,830,305	157,618	38,829,066
28,463,557	160,175,876	2,137,878
49,715,229	12,419,257	91,311,611
14,258,507	80,335	--
14,675,273	--	618,062
186,698	8,693	2,601
9,336,888	84,150	11,508,983
31,185	--	3,198,568
3,554,550	31,038,618	73,824,819
7,018,338	19,648,372	1,717,074
198,121,976	263,493,448	227,807,442
$ 198,121,976	$ 263,493,448	$ 227,807,442

$ --	$ --	$ 3,162,264
6,416,445	312,672	6,832,956
520,929	45,127,540	1,286,913
3,454,002	260	157,090
3,638,793	134,969	--
--	--	8,315,200
251,085	73,262	--
5,955,496	--	7,534,620
--	141,570	--
308,045	3,293,254	37,762,986
20,544,795	49,083,527	65,052,029
$ 20,544,795	$ 49,083,527	$ 65,052,029

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
CAPITAL CONSTRUCTION			
Legislative Branch	$ --	$ 288,382	$ 73,520
Executive Branch			
Agriculture	--	1,799,182	--
Children and Families	10,000,000	2,880,747	1,450,162
Corrections	--	8,517,198	(1,809,677)
Education	2,450,000	1,638,147	797,130
Environmental Protection	116,767,000	105,149,641	72,666,865
Health and Senior Services	--	256,005	63,630
Human Services	7,700,000	17,769,821	1,874,312
Law and Public Safety	1,500,000	13,121,833	2,406,759
Military and Veterans' Affairs	2,590,000	3,391,241	174,095
State	--	1,624,241	1,001,957
Transportation	895,000,000	191,174	895,000,000
Treasury	--	29,296,549	9,628,239
Miscellaneous Executive Commissions	--	2,000	--
Inter-Departmental Accounts	202,772,000	54,314,675	198,555,089
Total Executive Branch	1,238,779,000	239,952,454	1,181,808,561
TOTAL CAPITAL CONSTRUCTION	$ 1,238,779,000	$ 240,240,836	$ 1,181,882,081
DEBT SERVICE			
Executive Branch			
Environmental Protection	$ 64,664,000	$ (263)	$ 64,663,149
Treasury	363,121,000	263	363,120,670
Total Executive Branch	427,785,000	--	427,783,819
TOTAL DEBT SERVICE	$ 427,785,000	$ --	$ 427,783,819

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 43,434	$ --	$ 171,428
--	--	1,799,182
5,465,466	--	5,965,119
2,934,745	--	7,392,130
369,887	50,929	2,870,201
26,660,074	1,753,463	120,836,239
34,561	--	157,814
8,170,544	--	15,424,965
1,789,664	--	10,425,410
1,390,502	--	4,416,644
154,826	--	467,458
--	--	191,174
2,131,636	--	17,536,674
--	2,000	--
10,181,097	922,000	47,428,489
59,283,002	2,728,392	234,911,499
$ 59,326,436	$ 2,728,392	$ 235,082,927

$ --	$ 588	$ --
--	593	--
--	1,181	--
$ --	$ 1,181	$ --

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
FEDERAL			
Executive Branch			
Agriculture	$ 322,645,222	$ 16,830,704	$ 221,612,270
Banking and Insurance	--	170,000	170,000
Children and Families	400,855,189	6,325,621	324,408,473
Community Affairs	284,045,260	118,595,649	303,121,611
Corrections	11,088,366	2,738,938	8,247,935
Education	810,745,000	101,748,349	789,182,592
Environmental Protection	210,976,401	18,629,407	34,455,735
Health and Senior Services	1,688,250,912	65,884,179	1,421,519,979
Human Services	4,267,125,950	133,864,220	3,793,310,763
Labor and Workforce Development	414,211,000	97,467,219	308,298,917
Law and Public Safety	179,221,324	80,207,483	94,287,054
Military and Veterans' Affairs	64,117,887	8,445,114	26,970,151
Personnel	--	325,147	315,669
Public Advocate	1,023,000	425,692	916,792
State	36,806,632	1,645,297	27,503,381
Transportation	69,254,539	6,873,532	21,704,120
Treasury	6,747,000	1,340,695	3,365,648
Total Executive Branch	8,767,113,682	661,517,246	7,379,391,090
Judicial Branch	84,554,908	3,433,798	80,720,598
TOTAL FEDERAL	$ 8,851,668,590	$ 664,951,044	$ 7,460,111,688

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 49,688,727	$ --	$ 68,174,929
--	--	--
8,513,899	--	74,258,438
34,529,838	--	64,989,460
795,881	--	4,783,488
42,872,797	--	80,437,960
12,270,252	--	182,879,821
109,651,019	--	222,964,093
40,736,489	--	566,942,918
61,112,474	--	142,266,828
15,395,954	--	149,745,799
4,859,937	--	40,732,913
9,478	--	--
79,397	--	452,503
1,571,015	--	9,377,533
4,038,336	--	50,385,615
478,687	--	4,243,360
386,604,180	--	1,662,635,658
637,665	--	6,630,443
$ 387,241,845	$ --	$ 1,669,266,101

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
REVOLVING FUNDS			
Legislative Branch	$ --	$ 8,600	$ 7,040
Executive Branch			
Community Affairs	--	17,647,988	8,773,247
Corrections	--	31,323,178	31,816,796
Education	--	4,174,218	2,027,636
Environmental Protection	--	1,313,223	758,134
Health and Senior Services	--	18,083,609	12,230,089
Human Services	--	5,306,722	6,677,688
Labor and Workforce Development	--	1,546,937	(74,280)
Law and Public Safety	--	343,141	182,165
State	--	897,997	521,496
Transportation	--	598,613	375,676
Treasury	--	247,958,643	194,624,775
Total Executive Branch	--	329,194,269	257,913,422
TOTAL REVOLVING FUNDS	$ --	$ 329,202,869	$ 257,920,462

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 1,560
3,330,926	--	5,543,815
517,961	--	(1,011,579)
397,174	630,000	1,119,408
40,212	--	514,877
819,175	--	5,034,345
16,048	--	(1,387,014)
469,304	--	1,151,913
93	--	160,883
13,345	--	363,156
21,011	--	201,926
12,861,229	820,000	39,652,639
18,486,478	1,450,000	51,344,369
$ 18,486,478	$ 1,450,000	$ 51,345,929

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
ALL OTHER			
Legislative Branch	$ --	$ 29,155	$ --
Executive Branch			
Chief Executive's Office	--	1,598,954	623,053
Agriculture	--	13,913,354	9,433,931
Banking and Insurance	--	25,637,011	25,123,133
Children and Families	--	62,779,800	57,182,921
Community Affairs	--	211,404,942	43,693,540
Corrections	--	35,323,514	27,317,417
Education	--	16,631,209	12,053,894
Environmental Protection	--	51,797,942	15,906,371
Health and Senior Services	--	307,856,609	245,516,750
Human Services	--	748,207,924	688,840,976
Labor and Workforce Development	--	178,443,365	159,135,979
Law and Public Safety	--	236,300,617	199,694,206
Military and Veterans' Affairs	--	610,927	111,860
Personnel	--	194	--
Public Advocate	--	428,061	317,360
State	--	51,805,697	23,953,915
Transportation	--	447,319,046	300,500,486
Treasury	--	1,269,840,228	1,126,858,463
Inter-Departmental Accounts	--	7,000,750	61,272
Total Executive Branch	--	3,666,900,144	2,936,325,527
Judicial Branch	--	76,976,627	47,475,430
TOTAL ALL OTHER	$ --	$ 3,743,905,926	$ 2,983,800,957

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ --	$ 29,155
--	--	975,901
38,092	--	4,441,331
--	--	513,878
685,529	(76)	4,911,426
120,742,029	--	46,969,373
362,683	--	7,643,414
89,580	--	4,487,735
9,515,768	--	26,375,803
10,750,563	275,000	51,314,296
13,110,450	--	46,256,498
67,291	--	19,240,095
16,680,680	938,448	18,987,283
26,054	--	473,013
--	--	194
--	--	110,701
21,965,250	--	5,886,532
24,378,676	--	122,439,884
11,141,996	38,257,251	93,582,518
--	--	6,939,478
229,554,641	39,470,623	461,549,353
12,736,956	--	16,764,241
$ 242,291,597	$ 39,470,623	$ 478,342,749

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES (Continued)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GENERAL FUND SUMMARY			
Legislative Branch	$ 73,893,000	$ 19,511,111	$ 76,543,601
Executive Branch			
Chief Executive's Office	4,924,000	3,220,306	5,876,897
Agriculture	348,391,222	39,828,620	258,766,753
Banking and Insurance	68,944,000	28,402,127	92,805,509
Children and Families	1,360,270,189	96,056,873	1,306,287,275
Community Affairs	537,787,981	406,443,908	601,729,259
Corrections	1,086,643,366	141,477,539	1,184,581,078
Education	1,750,764,700	162,854,344	1,698,184,329
Environmental Protection	671,846,744	246,358,323	459,228,020
Health and Senior Services	3,202,024,912	415,722,603	2,997,708,720
Human Services	8,777,888,372	1,266,545,349	9,085,747,913
Labor and Workforce Development	532,115,000	333,300,508	613,455,022
Law and Public Safety	753,451,324	579,875,081	973,982,096
Military and Veterans' Affairs	155,077,513	21,666,892	117,988,691
Personnel	23,990,000	6,476,426	26,004,444
Public Advocate	20,443,000	4,235,528	16,004,033
State	1,262,656,632	72,537,881	1,272,735,869
Transportation	1,361,405,039	465,870,399	1,617,957,004
Treasury	1,461,189,256	1,650,901,670	2,695,155,888
Miscellaneous Executive Commissions	1,407,000	19,787	1,423,620
Inter-Departmental Accounts	3,287,960,236	32,804,947	3,072,791,503
Total Executive Branch	26,669,180,486	5,974,599,111	28,098,413,923
Judicial Branch	652,304,908	97,363,779	671,335,810
TOTAL GENERAL FUND SUMMARY	$ 27,395,378,394	$ 6,091,474,001	$ 28,846,293,334

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 1,276,708	$ --	$ 15,583,802
22,502	54,505	2,190,402
50,287,696	--	79,165,393
825,039	2,495,534	1,220,045
30,655,539	30,727,565	88,656,683
204,665,812	4,930,166	132,906,652
16,535,324	2,642,623	24,361,880
73,214,315	51,406,707	90,813,693
70,952,520	3,623,255	384,401,272
158,463,715	178,271,847	283,303,233
124,284,894	21,031,531	813,369,383
83,248,750	3,221,387	165,490,349
71,207,777	6,061,176	282,075,356
9,746,266	17,850	48,991,598
1,532,731	5,139	2,924,112
803,837	976,156	6,894,502
33,502,944	364,879	28,590,821
30,919,053	1,283,171	177,116,210
47,007,248	85,822,621	284,105,169
594	2,000	573
29,199,152	67,465,077	151,309,451
1,037,075,708	460,403,189	3,047,886,777
46,726,676	1,154,598	30,451,603
$ 1,085,079,092	$ 461,557,787	$ 3,093,922,182

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO CONTROL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Law and Public Safety	$ 43,999,000	$ 222,248	$ 43,026,747
Treasury	29,440,000	663,915	28,716,722
TOTAL CASINO CONTROL FUND	$ 73,439,000	$ 886,163	$ 71,743,469

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
CASINO REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
DIRECT STATE SERVICES			
Health and Senior Services	$ 871,000	$ 139,335	$ 862,906
Law and Public Safety	92,000	--	6,541
GRANTS-IN-AID			
Health and Senior Services	316,910,000	9,383,187	255,606,993
Human Services	163,738,191	--	162,971,706
Labor and Workforce Development	2,440,000	--	2,440,000
STATE AID			
Transportation	34,930,000	--	2,310,900
TOTAL CASINO REVENUE FUND	$ 518,981,191	$ 9,522,522	$ 424,199,046

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 564,941	$ 246,342	$ 383,218
756,455	392,864	237,874
$ 1,321,396	$ 639,206	$ 621,092

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ 86,884	$ 30,447	$ 30,098
--	85,459	--
3,075,562	67,610,632	--
--	766,485	--
--	--	--
32,619,100	--	--
$ 35,781,546	$ 68,493,023	$ 30,098

STATE OF NEW JERSEY
SCHEDULE OF APPROPRIATIONS AND EXPENDITURES
PROPERTY TAX RELIEF FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS	OTHER AUTHORIZED APPROPRIATIONS	EXPENDITURES
GRANTS-IN-AID			
Treasury	$ 1,183,788,000	$ 1,468,877	$ 1,145,807,032
STATE AID			
Community Affairs	1,061,472,000	(84,208,075)	974,151,346
Education	9,473,687,000	(13,250,705)	9,400,285,708
Environmental Protection	9,500,000	--	9,067,783
Treasury	158,273,773	--	153,280,321
TOTAL PROPERTY TAX RELIEF FUND	$ 11,886,720,773	$ (95,989,903)	$ 11,682,592,190

ENCUMBRANCES	LAPSED	CONTINUING APPROPRIATIONS
$ --	$ 39,449,845	$ --
2,600,000	512,579	--
10,770,955	49,374,137	5,495
--	432,217	--
--	4,993,452	--
$ 13,370,955	$ 94,762,230	$ 5,495

CAFR 2007

Statistical Section

Vince Lombardi
(Englewood)
Coached the Green Bay Packers to five NFL titles and two Super Bowls

Bruce Springsteen
(Asbury Park)
Multiple Grammy Award winning singer/songwriter

Jerry Lewis
(Newark)
Respected Actor, Comedian, Film Producer, Writer and Director

Norman H. Schwartzkopf General
(Trenton)
One of the most distinguished military leaders of the 20th century

Mary G. Roebling
(Trenton)
Broke the glass ceiling for women in business. First woman to serve as Governor of the American Stock Exchange

Buzz Aldrin
(Montclair)
Along with Neil Armstrong became one of the first two humans to walk on the moon

Malcolm Forbes
(Far Hill; Princeton)
Famous publisher of Forbes Magazine

Bill Bradley
(Princeton)
Three-time All American basketball player, NBA star and U.S. Senator

William J. Brennan
(Newark)
Highly respected jurist; U.S. Supreme Court Justice

New Jersey Hall of Fame

STATE OF NEW JERSEY
STATISTICAL SECTION
INDEX

Financial Trends Information **Page**

These schedules contain trend information on the State's financial performance and well-being over time.

Net Assets by Component 292
Changes in Net Assets 294
Fund Balances – Government Funds 296
Statement of Revenues, Expenditures and Changes in Fund Balance – Total Governmental funds 298
Fund Balance Summary for Budgeted Funds 300

Revenue Capacity Information

These schedules contain information on the State's most significant revenue sources.

Revenue Summary for Budgeted Funds 302
Real Gross State Product by Industry 304
Gross Income Tax Rates 306
Gross Income Tax (GIT) Filers and Liability by Income Level 306
Taxable Sales by Category 307

Debt Capacity Information

These schedules present information on the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratio of Outstanding Long-Term Debt 308
State Constitution – Legal Debt Limitations 310
Calculation of Legal Limits 310
Legislatively Authorized but Unissued Debt 311
Debt Service Coverage Ratio 312

Demographic and Economic Information

These schedules offer demographic and economic indicators on the environment within which the State's financial activities occur.

Ten Largest Private Sector Employers 314
Population and Employment Trends 315
Valuations of Taxable Real Property, Personal, and Per Capita Income 315

Operating Information

These schedules contain service and infrastructure data in relation to the services the State provides and the activities it performs.

Expenditure Summary for Budgeted Funds 316
Expenditures for Budgeted Funds 317
Full - Time Paid Employees 318
Operating Indicators 320
Capital Asset Statistics 322
New Jersey Historical Facts and Figures 324

STATE OF NEW JERSEY
NET ASSETS BY COMPONENT
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2007*	2006**	2005
Governmental Activities			
Invested in capital assets, net of related debt	$ 6,347.5	$ 5,981.9	$ 6,575.3
Restricted	5,796.5	5,625.8	4,795.3
Unrestricted	(20,900.0)	(19,723.0)	(18,987.8)
Total	$ (8,756.0)	$ (8,115.3)	$ (7,617.2)
Business-type Activities			
Restricted	$ 1,143.2	$ 1,500.6	$ 1,682.9
Unrestricted	--	(2.8)	(1.3)
Total	$ 1,143.2	$ 1,497.8	$ 1,681.6
Total Primary Government			
Invested in capital assets, net of related debt	$ 6,347.5	$ 5,981.9	$ 6,575.3
Restricted	6,939.7	7,126.4	6,478.2
Unrestricted	(20,900.0)	(19,725.8)	(18,989.1)
Total	$ (7,612.8)	$ (6,617.5)	$ (5,935.6)

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* for Fiscal Year 2007, three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds.

** Invested in capital assets, net of related debt was restated for an increase of $29.2 million to reflect the addition of intangible assets and revised land and building improvements.

Information presented is based on the accrual basis of accounting.

2004	2003	2002
$ 6,167.1	$ 4,907.4	$ 4,781.8
3,715.3	4,175.0	3,453.5
(14,270.9)	(10,881.7)	(8,258.0)
$ (4,388.5)	$ (1,799.3)	$ (22.7)
$ 1,697.7	$ 2,219.8	$ 2,974.6
--	--	(59.7)
$ 1,697.7	$ 2,219.8	$ 2,914.9
$ 6,167.1	$ 4,907.4	$ 4,781.8
5,413.0	6,394.8	6,428.1
(14,270.9)	(10,881.7)	(8,317.7)
$ (2,690.8)	$ 420.5	$ 2,892.2

STATE OF NEW JERSEY
CHANGES IN NET ASSETS FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2007	2006**	2005
Governmental Activities			
Expenses			
Public safety and criminal justice	$ 3,189.7	$ 2,827.9	$ 2,916.8
Physical and mental health	9,682.1	9,729.9	9,565.4
Educational, cultural, and intellectual development	14,968.4	14,200.5	13,609.3
Community development and environmental management	2,484.5	2,205.4	1,997.6
Economic planning, development, and security	5,300.7	4,914.9	4,123.7
Transportation programs	2,913.0	2,435.1	1,724.2
Government direction, management, and control	6,086.8	8,251.4	8,086.4
Special government services	327.5	239.6	291.6
Interest expense	975.0	537.0	791.6
Total Expenses	45,927.7	45,341.7	43,106.6
Program Revenues			
Charges for services	4,450.7	5,000.6	4,601.5
Operating grants	10,032.7	9,708.5	9,156.4
Capital grants and contributions	108.5	174.3	125.8
Total Program Revenues	14,591.9	14,883.4	13,883.7
Net (Expense) Revenue	(31,335.8)	(30,458.3)	(29,222.9)
General Revenues and Transfers			
Taxes	28,983.4	26,714.1	23,308.2
Investment earnings	271.7	183.0	84.3
Miscellaneous	752.9	1,627.3	1,569.1
Transfers	883.2	1,435.8	1,032.6
Special Item - gain on sale of tobacco rights	--	--	--
Total General Revenue and Transfers	30,891.2	29,960.2	25,994.2
Change in Net Assets	(444.6)	(498.1)	(3,228.7)
Net Assets - July 1	(8,311.4) *	(7,617.2)	(4,388.5)
Net Assets - June 30	$ (8,756.0)	$ (8,115.3)	$ (7,617.2)
Business-type Activities			
Expenses			
State Lottery Fund	$ 1,544.2	$ 1,573.3	$ 1,476.4
Unemployment Compensation Fund	1,937.4	1,828.5	1,948.5
Other	--	1,959.0	1,860.6
Total Expenses	3,481.6	5,360.8	5,285.5
Program Revenues			
Charges for services	4,307.4	5,859.9	5,898.4
Operating grants	73.3	102.9	103.6
Total Program Revenues	4,380.7	5,962.8	6,002.0
Net (Expense) Revenue	899.1	602.0	716.5
General Revenues and Transfers			
Government subsidies and grants	--	--	--
Transfers	(883.2)	(785.8)	(732.6)
Total General Revenue and Transfers	(883.2)	(785.8)	(732.6)
Change in Net Assets	15.9	(183.8)	(16.1)
Net Assets - July 1	1,127.3 *	1,681.6	1,697.7
Net Assets - June 30	$ 1,143.2	$ 1,497.8	$ 1,681.6
Total Primary Government			
Expenses	$ 49,409.3	$ 50,702.5	$ 48,392.1
Program revenues	18,972.6	20,846.2	19,885.7
Net (Expense) Revenue	(30,436.7)	(29,856.3)	(28,506.4)
General revenues and other changes in net assets	30,008.0	29,174.4	25,261.6
Change in Net Assets	(428.7)	(681.9)	(3,244.8)
Net Assets - July 1	(7,184.1) *	(5,935.6)	(2,690.8)
Net Assets - June 30	$ (7,612.8)	$ (6,617.5)	$ (5,935.6)

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* , three Special Revenue Funds and three Proprietary Funds were reclassified to Fiduciary Funds. The reclassification of Special Revenue Funds reduced the Fiscal Year 2007 beginning fund balance by $196.1 million and the reclassification of Proprietary Funds reduced fund balance by $370.5 million.

** Fiscal Year 2006 Governmental Activities expenses were reduced by $29.2 million for the restatement to reflect the addition of intangible assets and revised land and building improvements.

Information presented is based on the accrual basis of accounting.

2004	2003	2002
$ 2,652.5	$ 2,504.5	$ 2,485.0
8,809.3	9,305.6	8,952.4
12,562.2	10,686.3	10,117.8
1,228.7	1,959.0	2,207.6
3,714.1	4,046.6	3,577.1
1,774.0	1,561.1	1,541.6
6,027.8	5,763.2	4,951.3
264.9	236.3	227.2
750.4	574.7	540.8
37,783.9	36,637.3	34,600.8
3,341.0	3,900.7	3,052.3
8,985.0	9,151.1	9,233.0
140.9	30.6	23.8
12,466.9	13,082.4	12,309.1
(25,317.0)	(23,554.9)	(22,291.7)
20,940.6	19,347.3	18,049.8
59.8	61.1	42.8
1,939.1	1,647.5	2,194.6
(211.7)	716.9	725.3
--	5.5	--
22,727.8	21,778.3	21,012.5
(2,589.2)	(1,776.6)	(1,279.2)
(1,799.3)	(22.7)	1,256.5
$ (4,388.5)	$ (1,799.3)	$ (22.7)
$ 1,413.2	$ 1,339.0	$ 1,304.7
2,481.5	2,876.3	2,497.1
1,700.7	1,367.1	1,217.5
5,595.4	5,582.4	5,019.3
5,317.5	4,706.4	4,032.0
481.8	897.8	847.9
5,799.3	5,604.2	4,879.9
203.9	21.8	(139.4)
--	--	246.8
(726.0)	(716.9)	(725.3)
(726.0)	(716.9)	(478.5)
(522.1)	(695.1)	(617.9)
2,219.8	2,914.9	3,532.8
$ 1,697.7	$ 2,219.8	$ 2,914.9
$ 43,379.3	$ 42,219.7	$ 39,620.1
18,266.2	18,686.6	17,189.0
(25,113.1)	(23,533.1)	(22,431.1)
22,001.8	21,061.4	20,534.0
(3,111.3)	(2,471.7)	(1,897.1)
420.5	2,892.2	4,789.3
$ (2,690.8)	$ 420.5	$ 2,892.2

STATE OF NEW JERSEY
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2007	2006	2005
General Fund			
Reserved			
Encumbrances	$ 974.4	$ 907.6	$ 839.3
Surplus Revenue	484.6	559.8	288.7
Other	251.4	368.1	369.9
Unreserved	2,891.4	2,522.7	1,689.5
Total	$ 4,601.8	$ 4,358.2	$ 3,187.4
All Other Governmental Funds			
Reserved			
Encumbrances	$ 1,232.2	$ 896.8	$ 629.3
Other	1,538.6	1,605.3	1,601.6
Unreserved			
Special Revenue Funds*	3,149.7	4,477.8	2,638.4
Capital Projects Fund	105.5	119.1	143.3
Total	$ 6,026.0	$ 7,099.0	$ 5,012.6
Total			
Reserved			
Encumbrances	$ 2,206.6	$ 1,804.4	$ 1,468.6
Surplus Revenue	484.6	559.8	288.7
Other	1,790.0	1,973.4	1,971.5
Unreserved			
General Fund	2,891.4	2,522.7	1,689.5
Special Revenue Funds*	3,149.7	4,477.8	2,638.4
Capital Projects Fund	105.5	119.1	143.3
Total Governmental Funds	$ 10,627.8	$ 11,457.2	$ 8,200.0

Note:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* for Fiscal Year 2007, three Special Revenue Funds were reclassified to Fiduciary Funds.

Information presented is based on the modified accrual basis of accounting.

2004	2003	2002
$ 664.4	$ 630.8	$ 584.6
282.4	--	--
312.8	377.2	103.8
1,491.6	1,243.8	1,240.3
$ 2,751.2	$ 2,251.8	$ 1,928.7
$ 680.9	$ 700.1	$ 746.3
1,632.2	1,064.1	1,571.1
1,901.5	4,203.8	1,563.4
170.5	168.2	(225.6)
$ 4,385.1	$ 6,136.2	$ 3,655.2
$ 1,345.3	$ 1,330.9	$ 1,330.9
282.4	--	--
1,945.0	1,441.3	1,674.9
1,491.6	1,243.8	1,240.3
1,901.5	4,203.8	1,563.4
170.5	168.2	(225.6)
$ 7,136.3	$ 8,388.0	$ 5,583.9

STATE OF NEW JERSEY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TOTAL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	2007	2006	2005
REVENUES			
Taxes	$ 29,123.4	$ 25,909.3	$ 23,395.5
Federal and other grants	9,389.9	9,122.2	8,594.9
Licenses and fees	1,361.5	959.8	930.6
Services and assessments	2,525.4	2,493.6	2,172.7
Investment earnings	440.8	321.7	149.2
Contributions	0.1	662.6	646.7
Other	2,424.7	3,628.9	3,508.8
Total Revenues	45,265.8	43,098.1	39,398.4
EXPENDITURES			
Public safety and criminal justice	3,247.0	3,155.7	2,989.7
Physical and mental health	9,703.7	9,732.6	9,603.5
Educational, cultural, and intellectual development	15,173.6	14,405.1	13,909.5
Community development and environmental management	2,618.8	2,446.6	2,341.5
Economic planning, development, and security	5,376.6	4,981.2	4,233.2
Transportation programs	2,855.2	3,106.2	2,483.8
Government direction, management, and control	6,783.5	7,134.2	7,335.6
Special government services	328.0	313.3	299.9
Capital Outlay	105.0	573.5	237.6
Debt Service:			
Principal	558.2	48.2	390.5
Interest	779.7	361.3	623.3
Total Expenditures	47,529.3	46,257.9	44,448.1
Excess (deficiency) of revenues over expenditures	(2,263.5)	(3,159.8)	(5,049.7)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	48.8	2,850.1	1,000.5
Transfers from (to) other funds	883.3	1,435.8	1,032.6
Other	698.1	2,131.1	4,080.3
Total	1,630.2	6,417.0	6,113.4
Change in Fund Balance	(633.3)	3,257.2	1,063.7
Fund balances - July 1	11,261.1 *	8,200.0	7,136.3
Fund balances - June 30	$ 10,627.8	$ 11,457.2	$ 8,200.0
Debt Service as a percentage of noncapital expenditures:**	2.8%	0.9%	2.3%

Notes:

* As a result of implementing GASB Statement No. 43, *Financial Reporting For Post Employment Benefit Plans Other Than Pension Plans* , three Special Revenue Funds were reclassified to Fiduciary Funds. This reclassification reduced the Fiscal Year 2007 beginning fund balance by $196.1 million.

** Debt Service as a percentage of noncapital expenditures is defined as total debt service divided by total expenditures minus capital outlay and expenditures for capitalized assets included within the functional categories.

Information presented is based on the modified accrual basis of accounting.

2004	2003	2002
$ 21,008.9	$ 19,491.1	$ 18,196.3
8,495.2	7,954.5	7,658.5
811.5	979.1	875.1
1,835.3	1,798.6	1,705.5
96.9	103.0	101.1
281.9	510.3	231.3
3,213.8	6,560.9	3,560.6
35,743.5	37,397.5	32,328.4
2,733.5	2,548.0	2,546.8
8,826.6	9,315.2	8,863.6
12,723.6	10,813.0	10,249.9
2,160.1	2,050.0	2,260.5
3,763.6	4,087.1	3,620.8
2,551.9	2,225.7	2,252.4
5,505.4	5,476.9	5,199.0
270.9	239.1	230.7
326.3	863.1	1,122.3
483.4	418.7	399.4
650.5	457.8	439.2
39,995.8	38,494.6	37,184.6
(4,252.3)	(1,097.1)	(4,856.2)
1,139.8	895.0	1,014.6
(211.7)	716.9	725.3
2,072.5	2,289.3	1,122.3
3,000.6	3,901.2	2,862.2
(1,251.7)	2,804.1	(1,994.0)
8,388.0	5,583.9	7,577.9
$ 7,136.3	$ 8,388.0	$ 5,583.9
2.9%	2.3%	2.3%

STATE OF NEW JERSEY
FUND BALANCE SUMMARY FOR BUDGETED FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

	Comprehensive Annual Financial Report			
Budgeted Fund	**2007**	**2006**	**2005**	**2004**
General Fund	$ 1,410.4	$ 1,216.7	$ 461.7	$ 376.5
Surplus Revenue Fund	484.6	559.8	288.6	282.4
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	690.7	2.6	27.9	175.2
Casino Control Fund	1.5	(1.6)	1.3	4.9
Casino Revenue Fund	1.0	1.0	--	22.7
	$ 2,588.2	$ 1,778.5	$ 779.5	$ 861.7

	Appropriations Act			
Budgeted Fund	**2007**	**2006**	**2005**	**2004**
General Fund	$ 765.0	$ 311.6	$ 109.6	$ 248.6
Surplus Revenue Fund	448.6	288.4	288.0	--
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	46.0	--	--	--
Casino Control Fund	--	--	2.4	--
Casino Revenue Fund	--	--	--	1.5
	$ 1,259.6	$ 600.0	$ 400.0	$ 250.1

	Dollar Variance			
Budgeted Fund	**2007**	**2006**	**2005**	**2004**
General Fund	$ 645.4	$ 905.1	$ 352.1	$ 127.9
Surplus Revenue Fund	36.0	271.4	0.6	282.4
Debt Avoidance and Retirement Fund	--	--	--	--
Property Tax Relief Fund	644.7	2.6	27.9	175.2
Casino Control Fund	1.5	(1.6)	(1.1)	4.9
Casino Revenue Fund	1.0	1.0	--	21.2
	$ 1,328.6	$ 1,178.5	$ 379.5	$ 611.6

Note:

* For the Fiscal Year 1999 Appropriations Act, the General Fund balance includes $46.0 million for the Work First Contingency Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2003	2002	2001	2000	1999	1998
$ 373.0	$ 292.3	$ 388.7	$ 187.7	$ 276.1	$ 228.2
--	--	720.0	698.2	626.9	534.1
--	--	20.8	--	--	--
--	--	160.0	397.7	363.8	494.9
4.3	--	(1.9)	(1.1)	--	(0.5)
--	--	--	--	--	--
$ 377.3	$ 292.3	$ 1,287.6	$ 1,282.5	$ 1,266.8	$ 1,256.7

2003	2002	2001	2000	1999*	1998
$ 110.4	$ 298.9	$ 175.0	$ 171.4	$ 244.9	$ 225.8
--	720.0	650.3	608.1	500.7	327.7
--	--	--	--	--	--
--	--	39.9	--	--	--
--	--	--	--	--	--
--	0.6	5.0	--	--	--
$ 110.4	$ 1,019.5	$ 870.2	$ 779.5	$ 745.6	$ 553.5

2003	2002	2001	2000	1999	1998
$ 262.6	$ (6.6)	$ 213.7	$ 16.3	$ 31.2	$ 2.4
--	(720.0)	69.7	90.1	126.2	206.4
--	--	20.8	397.7	--	--
--	--	120.1	(1.1)	363.8	494.9
4.3	--	(1.9)	--	--	(0.5)
--	(0.6)	(5.0)	--	--	--
$ 266.9	$ (727.2)	$ 417.4	$ 503.0	$ 521.2	$ 703.2

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30
(Expressed in Millions)

Major Tax	2007	2006	2005	2004
Gross Income Tax	$ 11,727.2	$ 10,506.6	$ 9,537.9	$ 7,400.7
Sales and Use Tax	8,609.6	6,853.4	6,552.2	6,261.7
Corporation Business Tax	3,084.9	3,007.8	2,368.1	2,370.2
Other Major Taxes	2,967.0	3,544.7	3,244.0	3,028.0
Miscellaneous Taxes, Fees	3,465.9	3,324.0	4,988.5	4,472.4
State Lottery	828.3	844.2	812.0	795.0
Casino Taxes and Fees	525.8	570.3	540.0	532.7
Total	$ 31,208.7	$ 28,651.0	$ 28,042.7	$ 24,860.7

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
REVENUE SUMMARY FOR BUDGETED FUNDS*
PERCENT DISTRIBUTION BY MAJOR TAX
FOR THE FISCAL YEAR ENDED JUNE 30

Major Tax	2007	2006	2005	2004
Gross Income Tax	37.6 %	36.7 %	34.0 %	29.8 %
Sales and Use Tax	27.6	23.9	23.4	25.2
Corporation Business Tax	9.9	10.5	8.4	9.5
Other Major Taxes	9.4	12.4	11.6	12.2
Miscellaneous Taxes, Fees	11.1	11.6	17.8	18.0
State Lottery	2.7	2.9	2.9	3.2
Casino Taxes and Fees	1.7	2.0	1.9	2.1
Total	100.0 %	100.0 %	100.0 %	100.0 %

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

2003	2002	2001	2000	1999	1998
$ 6,735.3	$ 6,837.0	$ 7,989.2	$ 7,205.3	$ 6,323.9	$ 5,590.6
5,936.1	5,996.8	5,758.7	5,508.1	5,054.4	4,766.2
2,525.4	1,171.5	1,389.5	1,452.1	1,402.9	1,231.6
2,837.3	2,489.1	2,429.9	2,307.8	2,282.5	2,305.0
4,265.2	2,911.5	2,296.9	2,307.7	2,107.9	2,226.4
765.4	754.5	697.4	719.9	652.3	642.8
413.9	413.0	399.3	396.3	382.5	369.8
$ 23,478.6	$ 20,573.4	$ 20,960.9	$ 19,897.2	$ 18,206.4	$ 17,132.4

2003	2002	2001	2000	1999	1998
28.7 %	33.2 %	38.1 %	36.3 %	34.7 %	32.6 %
25.3	29.1	27.5	27.7	27.8	27.8
10.7	5.7	6.6	7.3	7.7	7.2
12.1	12.1	11.6	11.6	12.5	13.5
18.2	14.2	11.0	11.5	11.6	13.0
3.2	3.7	3.3	3.6	3.6	3.8
1.8	2.0	1.9	2.0	2.1	2.1
100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

STATE OF NEW JERSEY
REAL GROSS STATE PRODUCT BY INDUSTRY
FOR THE CALENDAR YEAR ENDED DECEMBER 31
(Expressed in Billions)

	2006**	2005**	2004	2003
Gross State Product				
Goods Producing				
Agriculture, forestry, fishing, and hunting	$ 0.6	$ 0.5	$ 0.5	$ 0.5
Mining	0.2	0.2	0.2	0.2
Manufacturing	39.5	39.3	38.8	39.6
Construction	13.4	13.4	13.5	13.2
Subtotal	53.7	53.4	53.0	53.5
Private Service Producing				
Transportation and warehousing	13.6	11.7	11.3	11.2
Information	22.4	21.6	20.6	18.7
Utilities	8.0	6.8	6.9	6.8
Wholesale trade	33.3	33.0	33.4	33.0
Retail trade	27.9	27.5	27.3	26.2
Finance and insurance	35.4	33.4	31.2	31.3
Real estate, rental, and leasing	61.9	60.6	60.9	56.4
Services*	97.2	94.2	90.0	87.2
Other services	7.5	7.3	7.1	6.9
Subtotal	307.2	296.1	288.7	277.7
Government	36.5	36.1	36.1	35.2
Grand Total	$ 397.4	$ 385.6	$ 377.8	$ 366.4
Total Personal Income* **	$ 404.2	$ 377.0	$ 361.7	$ 342.9

Notes:

* Services include professional and technical services, management of companies and enterprises, administrative and waste services, educational services, health care and social services, arts, entertainment and recreation, and accomodation and food servies.

** Calendar Year 2006 amounts are estimates. Calendar Year 2005 has been revised to reflect actual amounts.

*** Total personal income for 2003 through 2005 has been revised.

Source:

Global Insight and the New Jersey Department of the Treasury, Division of Taxation.

2002	2001	2000	1999	1998	1997
$ 0.6	$ 0.5	$ 0.6	$ 0.5	$ 0.5	$ 0.4
0.2	0.2	0.2	0.2	0.2	0.2
38.6	40.5	41.3	39.1	36.9	37.1
13.6	13.7	12.8	12.7	12.9	12.9
53.0	54.9	54.9	52.5	50.5	50.6
10.6	10.5	11.2	11.0	10.5	10.2
19.1	18.7	17.3	16.6	15.8	15.3
6.3	6.5	6.7	6.3	6.2	6.3
31.8	32.2	29.8	29.1	28.6	25.7
25.5	24.4	22.4	21.1	20.2	19.3
30.5	29.6	27.3	24.2	22.9	21.0
54.5	53.4	50.8	50.2	49.3	48.2
85.1	84.1	83.9	83.2	81.9	79.1
6.8	6.7	6.7	6.6	6.9	6.7
270.2	266.1	256.1	248.3	242.3	231.8
34.7	34.2	33.7	33.3	33.3	34.2
$ 357.9	$ 355.2	$ 344.7	$ 334.1	$ 326.1	$ 316.6
$ 337.0	$ 333.0	$ 323.6	$ 294.4	$ 282.7	$ 263.4

STATE OF NEW JERSEY
GROSS INCOME TAX RATES
FOR THE CALENDAR YEAR ENDED DECEMBER 31

	Top Income Tax Rate Is Applied To Taxable Income In Excess Of				
Year	Top Rate	Single	Married Filing Jointly	Head of Household	Average Effective Rate*
1998	6.37 %	$ 75,000	$ 150,000	$ 150,000	2.57 %
1999	6.37	75,000	150,000	150,000	2.67
2000	6.37	75,000	150,000	150,000	2.84
2001	6.37	75,000	150,000	150,000	2.61
2002	6.37	75,000	150,000	150,000	2.56
2003	6.37	75,000	150,000	150,000	2.59
2004	8.97	500,000	500,000	500,000	3.02
2005	8.97	500,000	500,000	500,000	3.07
2006	8.97	500,000	500,000	500,000	3.08
2007	8.97	500,000	500,000	500,000	3.15

* Net tax divided by New Jersey Gross Income for full-time resident returns with a tax liability. Data for 2006 and 2007 are estimates based on projections.

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
GROSS INCOME TAX (GIT) FILERS AND LIABILITY BY INCOME LEVEL
2005 AS COMPARED TO 1996
(GIT Liability Expressed in Millions)

	2005				1996			
Income Level	Number of Filers	Percent of Total	GIT Liability	Percent of Total	Number of Filers	Percent of Total	GIT Liability	Percent of Total
$500,001 and higher	39,472	1.4 %	$ 3,244.8	40.1 %	16,464	0.6 %	$ 999.8	25.1 %
$250,001 - $500,000	82,615	3.0	1,081.7	13.4	36,085	1.3	488.2	12.2
$100,001 - $250,000	546,848	19.9	2,260.9	27.9	268,686	9.7	1,068.3	26.8
$75,001 - $100,000	308,532	11.2	525.0	6.5	248,290	9.0	402.7	10.1
$50,001 - $75,000	480,036	17.5	507.8	6.3	465,096	16.8	469.9	11.8
$35,001 - $50,000	444,775	16.2	256.9	3.2	429,544	15.5	254.1	6.4
$20,001 - $35,000	577,531	21.1	173.8	2.1	621,782	22.5	205.6	5.2
$10,001 - $20,000	264,703	9.7	41.3	0.5	526,829	19.1	83.9	2.1
$10,000 and lower	--	--	--	--	151,652	5.5	12.6	0.3
Total	2,744,512	100.0 %	$ 8,092.2	100.0 %	2,764,428	100.0 %	$ 3,985.1	100.0 %

Source:
New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
TAXABLE SALES BY CATEGORY*
FOR THE CALENDAR YEAR ENDED DECEMBER 31

Year	Dollar Amount (Expressed in Millions)							Sales and Use Tax Rate**
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total	
1997	$ 240.6	$ 212.7	$ 2,492.0	$ 1,244.8	$ 93.8	$ 43.7	$ 4,327.6	6.0 %
1998	250.5	228.5	2,649.9	1,392.7	96.0	48.4	4,666.0	6.0
1999	259.8	242.0	2,857.7	1,422.0	103.6	53.8	4,938.9	6.0
2000	277.2	247.6	3,063.1	1,481.5	113.8	61.2	5,244.4	6.0
2001	306.1	255.1	3,214.8	1,568.2	124.2	79.9	5,548.3	6.0
2002	252.6	232.6	3,257.8	1,497.4	111.3	80.1	5,431.8	6.0
2003	243.7	232.6	3,421.9	1,513.6	116.7	88.4	5,616.9	6.0
2004	286.0	260.5	3,573.4	1,563.6	130.8	97.9	5,912.2	6.0
2005	327.5	272.4	3,662.3	1,588.1	139.4	93.8	6,083.5	6.0
2006	392.6	311.7	3,993.0	1,748.8	160.9	111.7	6,718.7	7.0

Year	Percent Distribution						
	Manufacturing	Wholesale	Retail	Service	Construction	Other	Total
1997	5.6 %	4.9 %	57.6 %	28.8 %	2.2 %	0.9 %	100.0 %
1998	5.4	4.9	56.8	29.8	2.1	1.0	100.0
1999	5.3	4.9	57.9	28.8	2.1	1.0	100.0
2000	5.3	4.7	58.4	28.2	2.2	1.2	100.0
2001	5.5	4.6	57.9	28.3	2.2	1.5	100.0
2002	4.6	4.3	60.0	27.6	2.0	1.5	100.0
2003	4.3	4.1	60.9	26.9	2.1	1.7	100.0
2004	4.8	4.4	60.4	26.4	2.2	1.8	100.0
2005	5.4	4.5	60.2	26.1	2.3	1.5	100.0
2006	5.8	4.6	59.4	26.0	2.4	1.8	100.0

Notes:

* Category data from 1997 through 2005 has been revised.

** The New Jersey Sales and Use Tax rate increased to 7.0 percent from 6.0 percent effective July 15, 2006.

Source:

New Jersey Department of the Treasury, Division of Taxation.

STATE OF NEW JERSEY
RATIO OF OUTSTANDING LONG-TERM DEBT
1998-2007
(Expressed in Thousands Except for General Long-Term Debt Ratios)

Governmental Activities	2007	2006	2005	2004
Bonded Debt				
General Obligation Bonds	$ 2,864,690	$ 3,132,755	$ 3,156,375	$ 3,301,005
Revenue Bonds Payable	12,739,620	12,975,955	7,856,005	7,229,340
Capital Leases	297,830	308,575	130,340	137,535
Installment Obligations	17,185,158	16,896,002	15,373,185	11,741,335
Certificates of Participation	58,836	60,559	66,148	77,392
Unamortized Premium	1,397,407	1,500,850	1,204,377	498,641
Tobacco Settlement Financing Corporation	4,643,694	3,248,580	3,280,155	3,329,406
Unamortized Deferral on Refunding	(924,227)	(604,570)	(533,008)	(223,754)
Unamortized Interest on Capital Appreciation Bonds	(6,522,644)	(5,673,484)	(3,211,862)	(3,311,643)
Subtotal	31,740,364	31,845,222	27,321,715	22,779,257
Non-Bonded Debt				
Accumulated Sick and Vacation Payable	578,527	518,561	488,913	466,126
Capital Leases	384,982	430,768	538,926	553,984
Loans Payable	1,279,358	1,279,358	1,279,358	1,279,358
Net Pension Obligation	3,761,279	2,953,944	1,796,799	845,563
Other	397,589	417,733	397,545	377,766
Subtotal	6,401,735	5,600,364	4,501,541	3,522,797
Grand Total	$ 38,142,099	$ 37,445,586	$ 31,823,256	$ 26,302,054
New Jersey Total Personal Income	$ 406,404,262	$ 404,192,000	$ 377,006,000	$ 361,679,000
Percentage of Personal Income	9.4%	9.3%	8.4%	7.3%
New Jersey Population	8,759	8,725	8,703	8,676
General Obligation Debt Per Capita	$327.06	$359.06	$362.68	$380.48
Total Long-Term Debt Per Capita	$4,354.62	$4,291.76	$3,656.58	$3,031.59

Note:
New Jersey Total Personal Income and Population figures for 2007 are estimates.
New Jersey Total Personal Income and Population data for 2003 through 2006 has been revised.

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

2003	2002	2001	2000	1999	1998
$ 3,366,605	$ 3,249,855	$ 3,555,375	$ 3,875,025	$ 3,734,360	$ 3,657,350
6,520,530	5,885,515	5,119,160	5,289,155	4,425,150	3,868,160
126,960	135,150	147,565	157,000	184,370	189,660
10,149,031	9,062,246	8,990,688	8,428,873	8,389,293	8,345,408
81,662	100,950	138,623	147,575	115,751	103,385
365,248	193,961	--	--	--	--
3,345,107	--	--	--	--	--
(211,909)	(104,984)	--	--	--	--
(3,435,380)	(3,290,843)	(3,422,621)	(3,587,914)	(3,706,206)	(3,817,327)
20,307,854	15,231,850	14,528,790	14,309,714	13,142,718	12,346,636
449,934	477,003	449,045	428,155	415,219	431,142
515,331	413,130	117,190	79,584	80,447	100,052
1,279,358	1,279,358	1,279,358	1,279,358	1,279,358	1,271,679
115,033	81,687	54,576	18,513	--	--
332,019	320,083	228,980	--	--	--
2,691,675	2,571,261	2,129,149	1,805,610	1,775,024	1,802,873
$ 22,999,529	$ 17,803,111	$ 16,657,939	$ 16,115,324	$ 14,917,742	$ 14,149,509
$ 342,858,000	$ 337,010,000	$ 332,951,000	$ 323,554,000	$ 294,385,000	$ 282,721,000
6.7%	5.3%	5.0%	5.0%	5.1%	5.0%
8,633	8,576	8,505	8,414	8,143	8,096
$389.97	$378.95	$418.03	$460.54	$458.60	$451.75
$2,664.14	$2,075.92	$1,958.61	$1,915.30	$1,831.97	$1,747.72

STATE OF NEW JERSEY
STATE CONSTITUTION - LEGAL DEBT LIMITATIONS

The State Constitution provides that the Legislature shall not create a debt or liability in any fiscal year which, together with any previous debts or liabilities, shall exceed one percent of total appropriations for that fiscal year unless the same shall be authorized by a law for some single object or been submitted to the people at a general election and has been approved by a majority of voters. These Constitutional Provisions do not apply to the creation of debt for purposes of war, or to repel invasion, or to suppress insurrection, or to meet emergencies caused by disaster or act of God (Article VIII, Section 2, par. 3).

All general obligation bonded debt in New Jersey is entered into as a result of successful referenda. As the table below illustrates, the debt margin as defined by the Constitution would prohibit any other method of creation of such debt or liability.

STATE OF NEW JERSEY
CALCULATION OF LEGAL LIMITS
(Expressed in Millions)

Fiscal Year	Total Appropriations For Budgeted Funds	Legal Debt Limit
1998	$ 17,157.6	$ 171.5
1999	18,485.6	184.8
2000	20,163.5	201.6
2001	21,842.8	218.4
2002	23,352.2	233.5
2003	23,726.4	237.2
2004	24,569.1	245.6
2005	28,644.8	286.4
2006	28,087.7	280.8
2007	31,022.8	310.2

Source:
New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
LEGISLATIVELY AUTHORIZED BUT UNISSUED DEBT, 2007 AND 2006
(Expressed in Millions)

Debt Program	Year	Amount Authorized	Unissued As Of 6/30/2007	Unissued As Of 6/30/2006
General Obligation Bonds*				
Clean Waters	1976	$ 120.0	$ 5.0	$ 5.0
State Land Acquisition and Development	1978	200.0	1.5	1.5
Natural Resources	1980	145.0	9.6	9.6
Energy Conservation	1980	50.0	1.6	1.6
Water Supply	1981	350.0	93.4	93.4
Hazardous Discharge	1981	100.0	43.0	43.0
New Jersey Green Acres	1983	135.0	14.5	14.5
Pinelands Infrastructure Trust	1985	30.0	8.0	8.0
Hazardous Discharge	1986	200.0	48.0	48.0
New Jersey Green Acres, Cultural Centers and Historic Preservation	1987	100.0	9.0	9.0
Open Space Preservation	1989	300.0	26.0	26.0
Public Purpose Buildings and Community - Based Facilities Construction	1989	125.0	5.0	5.0
Stormwater Management and Combined Sewer Overflow Abatement	1989	50.0	21.5	21.5
New Jersey Green Acres, Clean Water, Farmland and Historic Preservation	1992	345.0	26.8	26.8
Development Disabilities' Waiting List Reduction and Human Services Facilities Construction	1994	160.0	5.0	5.0
1995 New Jersey Green Acres, Farmland and Historic Preservation and Blue Acres	1995	340.0	25.5	25.5
Port of New Jersey Revitalization, Dredging, Environmental Cleanup, Lake Restoration, and Delaware Bay Area Economic Development	1996	300.0	199.0	199.0
Dam, Lake, Stream, Flood Control, Water Resources, and Wastewater Treatment Project	2003	200.0	200.0	200.0
Subtotal		3,250.0	742.4	742.4
Revenue Bonds Payable				
Transportation Trust Fund Authority				
Annual Capital Plan**	1995, 2006	15,600.0	7,108.0	7,108.0
Subtotal		15,600.0	7,108.0	7,108.0
Installment Obligations				
Economic Development Authority				
Market Transition Facility	1994	750.0	44.7	44.7
School Facilities Construction	2000	8,600.0	2,479.1	3,079.1
Special Needs Housing	2005	200.0	148.6	148.6
Stem Cell, Life Sciences, and Biomedical Research Facilities	2006	270.0	270.0	--
Educational Facilities Authority				
Equipment Leasing Fund	1993	100.0	73.7	56.9
Capital Improvement Fund	1999	550.0	0.6	0.6
Dormitory Safety Trust Fund	2000	90.0	10.8	10.8
Subtotal		10,560.0	3,027.5	3,340.7
Total		$ 29,410.0	$ 10,877.9	$ 11,191.1

Notes:

For debt issued after June 30, 2007, please refer to Note 20 - Subsequent Events of the Notes to the Financial Statements.

* An additional $1 million in Emergency Housing Bonds (Act of 1946) remain authorized but are not to be issued.

** The New Jersey Transportation Trust Fund Authority has been legislatively reauthorized to include capital programs through Fiscal Year 2011.

Source:

New Jersey Department of the Treasury, Office of Public Finance.

STATE OF NEW JERSEY
DEBT SERVICE COVERAGE RATIO
(Expressed in Millions Except for Coverage Ratio)

Market Transition Facility (MTF) Senior Lien Revenue Bonds (Series 1994A and Series 2001A)

MTF Senior Lien Revenue Bonds are repaid solely from surcharges assessed on drivers who commit certain violations. The violations for which surcharges are imposed are: (i) driving while intoxicated, (ii) receiving six or more motor vehicle points during a three year period preceding the imposition of the surcharge, (iii) driving without a license, (iv) driving without insurance, and (v) driving with a suspended license.

New Jersey Motor Vehicle Commission (MVC) Bonds, Series 2003A

The bonds will be repaid solely from surcharges that are being used to pay outstanding MTF Senior Lien Revenue Bonds as well as any other future bonds, notes, or other obligations hereafter issued under the same Bond Resolution. The MTF Senior Lien Revenue Bonds have a final maturity date of July 1, 2011. The New Jersey Motor Vehicle Commission Bonds, Series 2003A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the New Jersey Motor Vehicle Commission Bonds occur on July 1, 2012, July 1, 2013, July 1, 2014, and July 1, 2015.

Fiscal Year	Motor Vehicle Surcharges	Debt Service			MTF/MVC Surplus	Coverage Ratio
		Principal	Interest	Total		
1998	$ 150.8	$ 30.8	$ 39.7	$ 70.5	$ 80.3	2.1
1999	143.4	34.4	38.1	72.5	70.9	2.0
2000	133.2	36.0	36.4	72.4	60.8	1.8
2001	126.4	37.8	34.6	72.4	54.0	1.7
2002	128.6	39.8	21.9	61.7	66.9	2.1
2003	134.3	38.2	27.5	65.7	68.6	2.0
2004	136.6	46.4	25.3	71.7	64.9	1.9
2005	130.0	49.6	22.0	71.6	58.4	1.8
2006	131.7	53.0	19.0	72.0	59.7	1.8
2007	129.0	55.6	16.3	71.9	57.1	1.8

Motor Vehicle Surcharges Revenue Bonds, 2004 Series A

The Motor Vehicle Surcharges Revenue Bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired.

Fiscal Year	Unsafe Driver Surcharges	MTF/MVC Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2007	$ 45.0	$ 57.1	$ 102.1	$ --	$ 37.8	$ 37.8	2.7

Motor Vehicle Surcharge Revenue Bonds, Special Needs Housing Program, 2005 Series A

The bonds will be repaid solely from (i) unsafe driving surcharges, which are surcharges collected by the courts from drivers convicted of unsafe driving violations, (ii) surcharges that remain after funding debt service on MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds, and (iii) all surcharges that are being used to amortize the MTF Senior Lien Revenue Bonds and New Jersey Motor Vehicle Commission Bonds after they have been fully retired. The Special Needs Housing Program Bonds, 2005 Series A consist of capital appreciation bonds. Therefore, debt service payments are made when the bonds mature. Final maturities on the Special Needs Housing Program Bonds occur on July 1, 2016, July 1, 2017, July 1, 2018, and July 1, 2019.

Tobacco Settlement Financing Corporation, Inc.

Tobacco Settlement Asset—Backed Bonds (Series 2007-1)

Pursuant to a Purchase and Sale Agreement between the State and the Tobacco Settlement Financing Corporation, Inc., the State has sold 76.26 percent of its future rights to receive payments under the Master Settlement Agreement (MSA) entered into by participating cigarette manufacturers, 46 states and six other United States jurisdictions. The purchase price of the State's future rights, title and interest in the Tobacco Settlement Revenues has been financed by the issuance of these bonds. The Tobacco Settlement Financing Corporation, Inc. has pledged these future payments in order to secure the Tobacco Settlement Bonds. The State is not obligated to pay, and neither the full faith and credit nor the taxing power of the State is pledged to the payment of principal or interest on the bonds.

Fiscal Year	MSA Payments	Existing Surplus	Net Available Revenue	Debt Service			Coverage Ratio
				Principal	Interest	Total	
2006	$ 240.5	$ 367.4	$ 607.9	$ 34.5	$ 205.7	$ 240.2	2.5
2007	162.2	267.8	430.0	43.5	158.1	201.6	2.1

Cigarette Tax Revenue Bonds, Series 2004

The bonds will be repaid solely from a separate nonlapsing "Dedicated Cigarette Tax Revenue Fund" that will be credited on a monthly basis in an amount equal to 78.598 percent of the tax collected by the State from $0.0325 per cigarette (i.e., $0.65 per pack of 20 cigarettes). However, no credits of dedicated revenues may be made to the Dedicated Cigarette Tax Revenue Fund in any fiscal year until the legislatively required deposits of Cigarette Tax revenues into the State Cancer Research Fund and State Health Care Subsidy Fund have been made. Once these deposits occur, a "catch-up" mechanism temporarily credits all Cigarette Tax revenues to the Dedicated Cigarette Tax Revenue Fund until it reaches the level it otherwise would have reached if the deposits had not been made.

Fiscal Year	Cigarette Dedication	Debt Service			Coverage Ratio
		Principal	Interest	Total	
2007	$ 152.9	$ 59.6	$ 79.5	$ 139.1	1.1

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
TEN LARGEST PRIVATE SECTOR EMPLOYERS
2006 AS COMPARED TO 1997

2006 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	Wakefern Food Corporation/Shoprite	29,619	0.7 %
2	Verizon	17,500	0.4
3	United Parcel Service (UPS)	16,150	0.4
4	Harrah's Entertainment, Inc.	16,040	0.4
5	Johnson & Johnson	14,000	0.3
6	Wal-Mart Stores, Inc.	13,536	0.3
7	Home Depot	13,500	0.3
8	Continental Airlines	12,800	0.3
9	Pathmark Stores, Inc.	11,400	0.3
10	AT&T	10,429	0.2
		154,974	3.6 %

1997 Rank	Employer	New Jersey Employees	Percentage of Total New Jersey Employment
1	Wakefern Food Corporation	34,669	0.9 %
2	American Telephone & Telegraph Company	28,900	0.7
3	United Parcel Service	18,000	0.4
4	Bell Atlantic-New Jersey Incorporated	17,651	0.4
5	Lucent Technologies	17,500	0.4
6	The Prudential Insurance Company	17,405	0.4
7	Pathmark Stores, Inc.	16,022	0.4
8	Great Atlantic and Pacific Tea Company	12,000	0.3
9	Johnson & Johnson	11,000	0.3
10	Merrill Lynch & Company, Incorporated	10,566	0.3
		183,713	4.5 %

Notes:

Total New Jersey Employment for Calendar Year 2006 totaled 4.309 million.
Total New Jersey Employment for Calendar Year 1997 totaled 4.031 million.

Sources:

"New Jersey Business," New Jersey Business & Industry Association, "35th Annual Top 100 Employers, May 2007."
"New Jersey Business, "New Jersey Business & Industry Association, "26th Annual Top 100 Employers, May 1998."
Data reprinted with permission from the New Jersey Business and Industry Association.

STATE OF NEW JERSEY
POPULATION AND EMPLOYMENT TRENDS
(Expressed in Thousands)

Year	Population*	Civilian Labor Force*	Resident Employment*	Resident Unemployment*	New Jersey Unemployment Rate*	U.S. Unemployment Rate
1997	8,054	4,257	4,031	226	5.3 %	4.9 %
1998	8,096	4,242	4,047	195	4.6	4.5
1999	8,143	4,285	4,093	192	4.5	4.2
2000	8,414	4,288	4,130	158	3.7	4.0
2001	8,505	4,303	4,118	185	4.3	4.7
2002	8,576	4,365	4,112	253	5.8	5.8
2003	8,633	4,383	4,127	257	5.9	6.0
2004	8,676	4,394	4,178	217	4.9	5.5
2005	8,703	4,455	4,256	199	4.5	5.1
2006	8,725	4,518	4,309	209	4.6	4.6

* Data for 2003 through 2005 has been revised.

Sources:

New Jersey Department of Labor, "New Jersey Economic Indicators."
New Jersey Department of Labor, Division of Planning and Research.

STATE OF NEW JERSEY
VALUATIONS OF TAXABLE REAL PROPERTY, PERSONAL, AND PER CAPITA INCOME
(Expressed in Thousands Except as Indicated)

Year	New Jersey Population*	Assessed Valuation of Property	True Valuation of Property**	Personal Income (Millions)*	Per Capita Income*
1997	8,054	$ 438,965,016	$ 514,007,592	$ 263,420	$ 32,051
1998	8,096	455,710,137	539,354,740	282,721	34,115
1999	8,143	470,554,943	548,448,342	294,385	35,215
2000	8,414	493,863,234	645,145,129	323,554	38,364
2001	8,505	524,816,215	720,179,653	332,951	39,148
2002	8,576	567,908,706	820,922,044	337,010	39,296
2003	8,633	606,248,658	937,193,205	342,858	39,717
2004	8,676	666,117,074	1,079,838,476	361,679	41,688
2005	8,703	743,219,514	1,235,285,449	377,006	43,318
2006	8,725	833,112,659	1,326,838,076	404,192	46,328

* Data for 2003 through 2005 has been revised.
** Data for 2004 and 2005 has been revised.

Sources:

New Jersey Department of the Treasury, Annual Report of the Division of Taxation.
New Jersey Department of Labor, Office of Demographic & Economic Analysis.

STATE OF NEW JERSEY
EXPENDITURE SUMMARY FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30

Dollar Amount (Expressed in Millions)

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1998	$ 5,343.2	$ 4,047.2	$ 6,847.6	$ 497.0	$ 478.9	$ 17,213.9
1999	4,792.2	5,160.6	7,475.2	608.3	495.5	18,531.8
2000	4,650.2	6,211.7	7,866.4	737.4	494.2	19,959.9
2001	5,012.6	6,210.0	8,408.2	1,171.0	525.0	21,326.8
2002	5,106.4	7,264.0	8,834.8	1,012.1	451.2	22,668.5
2003	5,437.5	8,035.2	9,163.6	1,075.4	430.4	24,142.1
2004	5,650.9	7,768.2	10,079.7	1,117.0	438.1	25,053.9
2005	6,146.0	10,230.4	10,878.3	1,106.1	260.3	28,621.1
2006	6,236.2	10,017.8	11,312.7	1,103.0	169.3	28,839.0
2007	6,624.7	10,196.6	12,320.3	1,241.2	427.8	30,810.6

Percent Distribution

Fiscal Year	Direct State Services	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
1998	31.0 %	23.5 %	39.8 %	2.9 %	2.8 %	100.0 %
1999	25.9	27.8	40.3	3.3	2.7	100.0
2000	23.3	31.1	39.4	3.7	2.5	100.0
2001	23.5	29.1	39.4	5.5	2.5	100.0
2002	22.5	32.0	39.0	4.5	2.0	100.0
2003	22.5	33.3	38.0	4.4	1.8	100.0
2004	22.6	31.0	40.2	4.5	1.7	100.0
2005	21.5	35.7	38.0	3.9	0.9	100.0
2006	21.6	34.8	39.2	3.8	0.6	100.0
2007	21.5	33.1	40.0	4.0	1.4	100.0

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
EXPENDITURES FOR BUDGETED FUNDS*
FOR THE FISCAL YEAR ENDED JUNE 30, 2007
(Expressed in Millions)

Government Branch	Direct State Service	Grants-In-Aid	State Aid	Capital Construction	Debt Service	Total
Executive Branch						
Chief Executive Office	$ 5.3	$ --	$ --	$ --	$ --	$ 5.3
Agriculture	11.4	5.7	11.1	--	--	28.2
Banking and Insurance	68.3	--	--	--	--	68.3
Children and Families	282.9	656.3	--	6.9	--	946.1
Community Affairs	63.6	73.6	1,131.8	--	--	1,269.0
Corrections	994.3	136.7	--	1.1	--	1,132.1
Education	85.3	36.1	10,213.3	1.2	--	10,335.9
Environmental Protection	277.4	4.7	20.3	99.3	64.7	466.4
Health and Senior Services	95.0	1,510.8	9.4	0.1	--	1,615.3
Human Services	536.3	3,871.6	412.4	10.0	--	4,830.3
Labor and Workforce Development	111.8	56.9	1.4	--	--	170.1
Law and Public Safety	714.0	21.9	22.4	4.2	--	762.5
Military and Veterans' Affairs	92.4	1.8	--	1.6	--	95.8
Personnel	27.2	--	--	--	--	27.2
Public Advocate	15.5	--	--	--	--	15.5
State	23.9	1,187.3	18.4	1.2	--	1,230.8
Transportation	102.1	300.8	34.9	895.0	--	1,332.8
Treasury	449.3	1,452.3	444.9	11.8	363.1	2,721.4
Miscellaneous	1.4	--	--	--	--	1.4
Inter-Departmental	2,013.1	880.1	--	208.7	--	3,101.9
Subtotal	5,970.5	10,196.6	12,320.3	1,241.1	427.8	30,156.3
Legislative Branch	77.7	--	--	0.1	--	77.8
Judicial Branch	576.5	--	--	--	--	576.5
Grand Total	$ 6,624.7	$ 10,196.6	$ 12,320.3	$ 1,241.2	$ 427.8	$ 30,810.6

* Budgeted funds include the General Fund, the Property Tax Relief Fund, the Casino Revenue Fund, the Casino Control Fund, and the Gubernatorial Elections Fund.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

STATE OF NEW JERSEY
FULL-TIME PAID EMPLOYEES

Department/Agency	January 2007	January 2006	January 2005
Executive Branch			
Agriculture	256	266	262
Banking and Insurance	480	506	501
Chief Executive's Office	92	93	109
Children and Families	6,482	N/A	N/A
Community Affairs	1,149	1,151	1,098
Corrections	9,323	9,417	9,419
Parole Board	724	720	714
Education	922	962	952
Environmental Protection	3,305	3,437	3,437
Health and Senior Services	2,037	2,172	2,151
Human Services	15,739	21,840	20,977
Labor and Workforce Development	3,583	3,777	3,765
Public Employees Relations Commission	33	34	36
Law and Public Safety	7,832	8,106	7,772
Election Law Enforcement Commission	71	75	53
Violent Crimes Compensation Board	46	47	49
Executive Commission on Ethical Standards	15	13	9
Juvenile Justice	1,750	1,776	1,774
Military and Veterans' Affairs	1,493	1,494	1,473
Personnel	338	375	442
Public Advocate	158	N/A	N/A
State	196	198	199
Commission on Higher Education	18	17	19
Public Broadcasting Authority	156	158	159
Student Assistance	196	198	201
Transportation	6,415	6,669	6,448
Treasury	3,688	3,774	3,784
Casino Control Commission	336	346	349
Office of Administrative Law	107	113	112
Office of Information Technology	907	950	938
Public Defender	1,023	1,094	1,044
Board of Public Utilities/Ratepayer Advocate	301	346	345
Miscellaneous Executive Commissions	2	2	2
Total	69,173	70,126	68,593
Legislative Branch	523	503	512
Judicial Branch	9,495	9,556	9,424
Grand Total	79,191	80,185	78,529

Notes:

Full-time paid employees were tabulated as of Pay Period No. 1 for each year displayed. Certain offices within departments have been reorganized throughout various fiscal years. These offices have been displayed in a manner that meets the current State organization chart.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2004	2003	2002	2001	2000	1999	1998
254	247	259	255	245	239	239
481	486	517	502	472	471	561
111	118	116	122	123	124	114
N/A	N/A	N/A	N/A	N/A	N/A	N/A
1,045	1,015	1,106	1,086	1,022	974	922
9,257	9,344	9,445	8,907	8,697	9,258	9,084
652	699	713	741	693	161	158
971	920	991	915	860	870	830
3,296	3,248	3,449	3,312	3,203	3,085	3,058
2,136	1,953	2,148	2,036	1,956	1,859	1,790
20,152	19,278	18,978	18,001	17,427	16,928	17,914
3,672	3,458	3,486	3,524	3,546	3,624	3,743
34	36	36	38	38	39	39
7,405	7,137	7,379	6,841	6,666	6,486	6,105
45	46	50	49	38	44	39
48	46	47	47	50	47	50
8	8	9	6	7	6	7
1,705	1,585	1,638	1,529	1,439	1,423	1,319
1,419	1,358	1,449	1,458	1,426	1,366	1,357
399	376	440	426	422	409	431
N/A	N/A	N/A	N/A	N/A	N/A	N/A
185	187	202	199	185	165	235
19	22	24	24	23	20	20
159	157	159	153	149	133	135
210	193	213	197	191	198	192
6,049	5,109	5,438	5,431	5,071	5,114	5,628
3,599	3,612	3,889	3,695	3,607	3,592	3,374
350	325	334	333	325	336	336
110	109	112	111	115	114	117
923	929	1,048	1,015	996	994	1,109
951	877	942	927	901	862	837
336	319	307	290	292	298	307
2	2	2	2	2	2	1
65,983	63,199	64,926	62,172	60,187	59,241	60,051
520	506	492	505	484	471	464
9,343	9,118	9,361	9,166	9,038	8,882	8,707
75,846	72,823	74,779	71,843	69,709	68,594	69,222

STATE OF NEW JERSEY
OPERATING INDICATORS

Department/Agency	2007*	2006**	2005**
Agriculture			
Farmland Preservation			
Cumulative acres permanently preserved	162,000	147,925	137,947
Children and Families			
Active caseload - children receiving services	152,992	148,745	121,568
Corrections			
Average daily population - State Facilities	23,158	23,008	22,932
Parole Board			
Parolees under supervision	14,320	14,009	13,297
Total hearings	46,000	45,733	44,338
State hearings	29,500	29,292	29,007
Education			
Resident enrollment	1,440,767	1,448,232	1,446,815
Support per pupil	$16,057	$14,917	$14,159
Local	$8,429	$7,967	$7,597
State	$7,061	$6,375	$6,032
Federal	$567	$575	$530
Health and Senior Services			
Family Health Services			
Newborns screened-metabolic & genetic disorders	118,000	110,851	110,473
HealthStart (prenatal)	33,500	35,439	36,500
AIDS Services			
Number of clients tested and counseled	76,505	74,277	68,700
Pharmaceutical Assistance to the Aged & Disabled			
Aged: Average monthly eligibles	134,259	146,142	148,280
Aged: Annual prescriptions	4,962,213	5,489,094	5,838,243
Disabled: Average monthly eligibles	29,332	29,492	28,274
Disabled: Annual prescriptions	1,390,337	1,419,155	1,396,133
Human Services			
Work First New Jersey			
Average monthly recipients	104,450	112,192	116,188
Average monthly grant	$132.03	$130.78	$130.43
Labor and Workforce Development			
Unemployment Insurance			
Covered workers	3,923,300	3,877,600	3,836,301
State Disability Insurance Plan			
Covered workers	2,870,500	2,837,000	2,806,700
Claims received	168,500	168,188	172,919
Law and Public Safety			
State Police Operations			
Criminal investigations	17,585	17,460	16,287
Accident investigations	44,225	43,858	45,001
General investigations	805,525	805,131	802,280
Transportation			
Motor Vehicle Services			
Registrations and title documents issued	9,550,430	9,774,684	10,202,096
Total licensed drivers	5,629,451	5,629,451	5,668,712
Total registered vehicles	6,540,000	6,537,486	6,781,736
Total NJ inspections/reinspections	3,341,450	3,006,193	3,000,324

Notes:

***** Fiscal Year 2007 amounts are estimates.

** Fiscal Years 2006 and 2005 have been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2004	2003	2002	2001	2000	1999	1998
127,038	110,476	94,806	80,381	66,375	53,478	47,301
N/A	N/A	N/A	N/A	N/A	N/A	N/A
23,006	22,867	22,561	23,109	24,946	25,005	22,213
13,297	13,234	12,867	12,266	13,834	16,406	18,645
42,377	39,910	42,060	47,265	35,300	35,617	38,692
26,902	25,481	27,734	37,564	25,002	23,650	26,399
1,441,748	1,424,773	1,395,131	1,357,160	1,327,643	1,298,927	1,278,220
$13,234	$12,505	$11,834	$11,909	$10,833	$10,962	$10,445
$7,103	$6,702	$6,375	$6,424	$6,013	$6,161	$6,071
$5,628	$5,344	$5,044	$5,138	$4,594	$4,571	$4,165
$503	$459	$415	$347	$226	$230	$209
113,404	113,032	112,666	111,795	110,815	111,578	110,562
35,000	31,000	30,103	31,000	32,000	31,000	30,200
67,789	67,067	61,969	62,577	57,260	66,192	65,847
148,349	147,841	150,280	140,023	137,305	141,382	142,810
5,477,045	5,304,535	4,995,313	4,603,956	4,415,742	4,580,777	4,318,574
27,902	27,247	26,933	24,728	23,400	22,747	22,256
1,334,832	1,258,811	1,193,426	1,080,119	1,031,940	982,670	908,044
112,280	107,143	112,773	123,236	146,090	178,114	231,273
$129.06	$128.12	$128.82	$126.19	$123.41	$125.69	$128.56
3,813,549	3,778,630	3,801,600	3,883,400	3,772,368	3,668,800	3,590,743
2,790,000	2,764,500	2,781,200	2,804,900	2,760,200	2,662,600	2,636,800
174,232	170,958	164,627	167,405	166,393	162,603	163,397
13,079	12,552	11,954	11,385	13,833	15,394	20,246
41,263	39,724	37,833	33,368	32,714	29,948	27,171
565,156	573,098	582,204	640,337	627,782	611,657	623,493
10,386,777	10,558,682	10,320,282	10,156,100	10,232,544	10,346,894	9,951,672
5,741,036	5,706,951	5,713,520	5,737,000	5,736,996	5,682,425	5,711,263
7,055,501	7,302,521	7,043,077	6,924,006	6,774,155	6,393,435	6,057,035
3,171,458	3,243,086	3,545,739	3,272,085	3,521,091	4,571,056	6,105,284

STATE OF NEW JERSEY
CAPITAL ASSET STATISTICS
FOR THE FISCAL YEAR ENDED JUNE 30

Function	2007	2006
Public safety and criminal justice		
Adult and juvenile correctional institutions	38	38
State police stations	35	35
State police officers	2,971	2,963
Motor vehicle facilities	77	80
Number of active armories	33	33
Total land acres dedicated to function*	6,724	6,725
Total buildings dedicated to function*	1,594	1,569
Physical and mental health		
Number of mental health facilities	5	5
Average daily population	2,223	2,303
Total land acres dedicated to function*	1,038	1,038
Total buildings dedicated to function*	326	324
Educational, cultural, and intellectual development		
Number of schools	31	30
Number of developmental centers	7	7
Average number of residents	2,987	3,061
Total acreage dedicated to function*	4,552	4,552
Total buildings dedicated to function**	533	530
Community development and environmental management		
State parks, historic sites, natural areas, marinas, other*	198	198
Land preservation acres (easements/farmland)*	66,988	54,381
Total acreage dedicated to function (includes preservation)*	685,385	670,987
Total buildings dedicated to function***	1,992	1,963
Economic planning, development, and security		
Number of residential centers	3	3
Number of group homes*	924	924
Total acreage dedicated to function*	1,130	1,130
Total buildings dedicated to function*	1,014	999
Transportation programs		
Lane miles, state highways	13,485	11,178
Bridges, state highways	2,579	2,581
Facilities	89	89
Total acreage dedicated to function*	52,522	52,510
Total buildings dedicated to function*	506	502
Government direction, management, and control		
Total acreage dedicated to function*	3,044	3,044
Total buildings dedicated to function*	327	325
Special government services		
Veteran homes	3	3
Veterans in residence	932	875
Total acreage dedicated to function*	76	76
Total buildings dedicated to function*	33	29

Notes:

* Data for 2002 through 2006 has been revised.

** Data for 2005 and 2006 has been revised.

*** Data for 2002, 2003, 2005, and 2006 has been revised.

Source:

New Jersey Department of the Treasury, Office of Management and Budget.

2005	2004	2003	2002
39	39	39	39
35	35	35	38
2,823	2,669	2,664	2,769
80	80	80	80
33	33	33	33
6,712	6,712	6,667	6,665
1,552	1,537	1,515	1,482
6	6	6	6
2,284	2,237	2,240	2,211
1,038	1,023	1,023	1,023
322	322	321	317
30	30	30	31
7	7	7	7
3,096	3,145	3,233	3,365
4,551	4,551	4,551	4,525
527	523	522	518
198	197	197	197
50,824	38,935	31,793	27,371
653,127	635,495	631,932	621,999
1,948	1,928	1,911	1,896
3	3	3	3
924	924	924	924
1,130	1,130	1,130	1,130
984	979	974	968
11,120	11,107	11,073	11,061
2,364	2,366	2,349	2,367
89	89	89	89
52,509	50,569	48,862	48,816
488	477	476	467
3,044	3,044	3,039	3,037
322	316	316	315
3	3	3	3
815	786	767	815
76	76	76	76
26	26	26	24

NEW JERSEY HISTORICAL FACTS AND FIGURES

The State was one of the original thirteen colonies and was the third state to ratify the United States Constitution in 1787. The original State Constitution was adopted on July 2, 1776 and was subsequently superseded by the State Constitution of 1844. A new State Constitution was prepared by a constitutional convention in 1947 and was ratified by voters of the State in the general election held on November 4, 1947.

The State Constitution establishes a bicameral legislature, which meets in annual sessions in Trenton, the State capital. Members of the State Senate are elected to terms of four years, except for the election following a decennial census, in which case the term is for two years. The members of the General Assembly are elected to two-year terms. The Governor is elected to a term of four years.

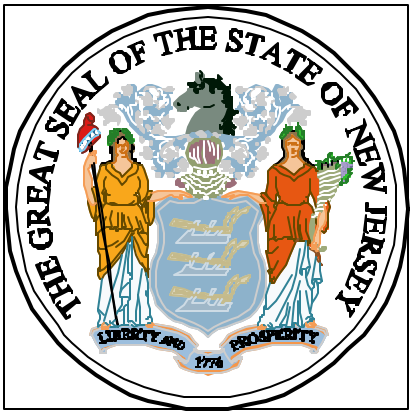
The State ranks fifth smallest in size, with an area of 7,418.8 square miles. The estimated population as of July 1, 2006 was 8,725,000 making New Jersey the ninth largest state in population, and the most populated of all the states, with an average of 1,176 people per square mile.

There are 17 departments of the Executive Branch of State Government. The maximum number of executive branch departments permitted by the State Constitution is 20.

The higher education system in New Jersey includes 26 private colleges, 19 community colleges, as well as 12 State institutions.

The State Seal

Pierre Eugene du Simitiere designed the State Seal and presented it in May 1777 to the Legislature. The three plows in the shield honor the state's agriculture tradition. During the Revolutionary War, New Jersey's economic power, as well as its military significance, was based on the fact that it was the breadbasket of the Mid-Atlantic region. Continental and British soldiers in the state were engaged in skirmishes aimed at securing exclusive access to New Jersey's farm stores and livestock herds as a source of army provisions. The helmet on the State Seal above the shield faces forward, an attitude denoting sovereignty and thus particularly fitting for one of the first governments created under the notion that the state itself is the sovereign. The helmet is also a symbol for the importance of human intelligence and honor to the affairs of state. The crest above the helmet is a horse's head. New Jersey was and still is a major center for horse breeding. The equestrian head also symbolizes the attributes of strength, speed, and utility in war or commerce. The supporting female figures are Liberty and Ceres. Liberty, on the viewer's left, carries a staff with the same kind of "Liberty cap" worn as a symbol of rebellion by patriots throughout the colonies. Ceres, the Roman goddess of grain, holds a cornucopia filled with harvested produce representing the extraordinary fertile soils and natural abundance of the state's fields, forests, and waters. Below them is a scroll bearing the motto "Liberty and Prosperity," and the year of statehood, 1776.



The State Flag

The official colors of New Jersey for use on the state flag and for other purposes were established by statute as buff and Jersey blue.

Other Legislative Designations

The State Fruit is the blueberry. The State Flower is the violet. The Eastern Goldfinch is the State Bird. The State Animal is the horse, while the State Fish is the brook trout. The knobbed whelk, commonly known as the conch is the State Shell. The red oak is the Official State Tree, while the dogwood is the State Memorial Tree. Inspired by a group of schoolchildren and not even classified as a bug, the honeybee was designated as the State Bug. The State Folk Dance is the square dance. The State Dinosaur is the Hadrosaurus Foulki, a 25-foot-long, duck-billed creature that was unearthed in a Haddonfield, New Jersey marl pit in October 1858, by William Parke Foulke.

The State Tall Ship is the A.J. Meerwald, a Delaware Bay oyster schooner launched in 1928. The ship is constructed of oak planks laid over oak frames, is 115 feet long, has a beam of 22 feet, 3 inches, and weighs 57 tons. In 1942, the tall ship was commandeered by the Maritime Commission under the War Powers Act for use by the Coast Guard as a fireboat. Five years later, it was returned to its owners and used as an oyster dredge, under power, without sails, until the industry vanished in 1957. The A.J. Meerwald was used as a clam dredge from 1959 until 1989, when it was turned over to The Delaware Bay Schooner Project. Today, the A.J. Meerwald serves as a floating classroom, promoting ecological and historical awareness of the bay and the waters of New Jersey.